

Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress

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In the Matter of)	
)	
Distribution of the 2000-2003)	Docket No. 2008-2
Cable Royalty Funds)	CRB CD 2000-2003 (Phase II)
<hr/>)	

**SETTLING DEVOTIONAL CLAIMANTS' DISCLOSURE TO THE JUDGES AND
MOTION TO SUPPLEMENT THE ADMINISTRATIVE RECORD**

Pursuant to their duty of candor to the tribunal, and to ensure a complete administrative record (*see Citizens to Preserve Overton Park, Inc. v. Volpe*, 401 U.S. 402, 420 (1971)), the Settling Devotional Claimants hereby notify the Judges of the SDC's Motion for Order to Show Cause Why Multigroup Claimants Should Not Be Disqualified as an Agent to Receive Funds on Behalf of Claimants (Dec. 26, 2019), filed in the 2010-13 cable and satellite distribution proceedings, No. 14-CRB-0010-CD/SD (2010-13), Multigroup Claimants' opposition (Jan. 10, 2020), and the SDC's reply (Jan. 21, 2020), attached hereto as Exhibits A, B, and C, respectively. The SDC move the Judges to supplement the administrative record with these three filings, should the Judges find it necessary to consider this information in the course of effectuating their final distribution order in the 2000-03 cable distribution case.

In short, the SDC moved for an order to show cause why Alfred Galaz d/b/a Multigroup Claimants should not be disqualified as an agent in copyright royalty proceedings, based on the SDC's discovery of a bankruptcy filing by Alfred Galaz that raised serious questions about Multigroup Claimants' identity and authority to represent claimants. Multigroup Claimants' opposition to the SDC's motion claims, for the first time, that Worldwide Subsidy Group, LLC has been acting in the name of "Multigroup Claimants" since some time before January 1, 2018.

For the reasons stated in the SDC's reply in support of their motion, Worldwide Subsidy Group's new contention raises serious concerns about Worldwide Subsidy Group's integrity and qualifications as an agent in copyright royalty proceedings. Before receiving Multigroup Claimants' opposition, filed on January 10, 2020, the SDC were not aware that Worldwide Subsidy Group was directly implicated in Multigroup Claimants' potential misconduct.

Worldwide Subsidy Group is a party in this 2000-2003 cable proceeding, under the business name "Independent Producers Group." The Judges have ordered final distribution, in accordance with a settlement agreement between the SDC and Worldwide Subsidy Group. The SDC recommend that the Judges exercise appropriate care in effectuating their final distribution order, to ensure that royalty funds reach their intended recipients.

January 21, 2020

Respectfully submitted,

SETTLING DEVOTIONAL CLAIMANTS

/s/ Matthew J. MacLean

Matthew J. MacLean, D.C. Bar No. 479257

Matthew.maclean@pillsburylaw.com

Michael A. Warley, D.C. Bar No. 1028686

Michael.warley@pillsburylaw.com

Jessica T. Nyman, D.C. Bar No. 1030613

Jessica.nyman@pillsburylaw.com

PILLSBURY WINTHROP SHAW

PITTMAN LLP

1200 Seventeenth Street, NW

Washington, DC 20036

Telephone: (202) 663-8000

Fax: (202) 663-8007

Certificate of Service

I certify that on January 22, 2020, I caused a copy of the foregoing to be served on all parties registered to receive notice by eCRB by filing through the eCRB filing system.

/s/ Matthew J. MacLean
Matthew J. MacLean

EXHIBIT A

Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress

In re

**DISTRIBUTION OF CABLE
ROYALTY FUNDS**

**DISTRIBUTION OF SATELLITE
ROYALTY FUNDS**

**CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-13)**

**SETTLING DEVOTIONAL CLAIMANTS' MOTION FOR ORDER TO SHOW CAUSE
WHY MULTIGROUP CLAIMANTS SHOULD NOT BE DISQUALIFIED AS AN
AGENT TO RECEIVE FUNDS ON BEHALF OF CLAIMANTS**

The Settling Devotional Claimants move for an order to show cause why Alfred Galaz d/b/a Multigroup Claimants should not be disqualified as an agent to receive copyright royalty funds on behalf of the claimants that he has claimed to represent. A bankruptcy petition filed by Alfred Galaz, the registered owner of the fictitious business name "Multigroup Claimants," demonstrates that he is no longer (and may never have been) the authorized agent on behalf of the claimants. Communications from Multigroup Claimants' counsel further suggest that Alfred Galaz d/b/a Multigroup Claimants is no longer a proper party. Because no substitution of parties has been sought, the SDC request that the Judges seek clarification before authorizing a final distribution of copyright royalty funds to Multigroup Claimants, a purported agent with a history of participating in fraudulent conveyances and who appears not to have authority to receive those funds. The SDC further ask the Judges to disqualify Alfred Galaz permanently from serving as an agent in these proceedings if it is determined that he has participated in a fraud or proceeded without authority.

This matter is urgent, because a motion for final distribution of 2010-13 satellite royalty funds is expected imminently. The allocation phase parties previously notified the Judges of a

settlement of their controversy regarding satellite royalty shares. *See Order Granting Motion for Suspension of Scheduled Hearing*, No. 14-CRB-0011-SD (2010-13) (Oct. 21, 2019). Those parties are finalizing a formal settlement agreement. When completed, a motion for final distribution of 2010-2013 satellite royalties will be ripe, because all other controversies regarding the funds have been resolved by the Judges and, where applicable, by the D.C. Circuit. *See Final Distribution Determination* (83 FR 38326, Aug. 6, 2018) (as to Devotional category); *Final Distribution Determination* (83 FR 61683, Nov. 30, 2018) (as to Program Supplier category) and Judgment, *Multigroup Claimants v. Copyright Royalty Board*, No. 18-1338 (D.C. Cir., Dec. 6, 2019) (dismissing Multigroup Claimants' appeal as to Program Suppliers and Sports claimant categories). The allocation of shares in the Devotional category is not subject to further challenge, and finality regarding allocation of shares in the Program Suppliers and Sports categories only awaits issuance of the mandate on the judgment from the D.C. Circuit. Multigroup Claimants has no claim in the Commercial Television category. The dollar payouts to SDC, CTV, MPA and JSC on behalf of their claimants should be unaffected by the status of Alfred Galaz.

I. Background

A. The Parties and the Judges Have Understood Multigroup Claimants to Be Alfred Galaz, and to Be IPG's Assignee.

The SDC have understood from the attached Certificate of Ownership filed in Bell County, Texas, produced by Multigroup Claimants in response to the Judges' *Order Granting in Part SDC's Motion to Compel Production by Multigroup Claimants* (Sep. 14, 2016) that Multigroup Claimants is an assumed name of Alfred Galaz as sole proprietor. *See* Ex. 1, Certificate of Ownership; *see also Ruling and Order Regarding Objections to Cable and Satellite Claims* (Oct. 27, 2017) at 2. The SDC further understand, according to an

“Authorization and Transfer” effective January 20, 2015, produced by Multigroup Claimants, that Alfred Galaz d/b/a Multigroup Claimants is the assignee of all contract rights previously held by Worldwide Subsidy Group, LLC, d/b/a Independent Producers Group (“IPG”) to collect copyright royalties for cable and satellite royalty years 2010 and thereafter. *See id.* at 13; Ex. 2, Authorization and Transfer.

For years, Multigroup Claimants has reiterated and reinforced its position that Alfred Galaz is Multigroup Claimants, and that Multigroup Claimants is the authorized agent of the claimants previously represented by IPG. *See* Multigroup Claimants’ Opposition to MPAA Motion for Disallowance of Claims (Oct. 31, 2016) at 7 (“Al Galaz is the acknowledged owner of both [Multigroup Claimants] and [Spanish Language Producers], which are sole proprietorships organized for mutually exclusive purposes.”); Multigroup Claimants’ Opposition to SDC’s Motion for Leave to File Supplemental Memorandum in Support of Motion to Disqualify (May 2, 2017) at 2-3 (“[T]he SDC: ... (ii) falsely allege that Multigroup Claimants attempted to deceive the Judges and other participants concerning the true identity of Multigroup Claimants and Spanish Language Producers, (iii) falsely allege that Alfred Galaz was found to have engaged in fraudulent activity in an unrelated matter”); Multigroup Claimants Written Direct Statement, Testimony of Raul Galaz (Dec. 29, 2017) at 1 (“I am a currently a consultant to Multigroup Claimants, a sole proprietorship organized in the state of Texas. ... Multigroup Claimants represents the interests of Worldwide Subsidy Group, LLC in these proceedings.”); Multigroup Claimants’ Motion for Modification of Judges’ Order of Sep. 12, 2019, No. 16-CRB-0009-CD (2014-17) at 2 n. 1 (Sep. 17, 2019) (referring to IPG as “[Multigroup Claimants] predecessor”). The only explanation that Multigroup Claimants has ever offered for the transfer of IPG’s interests to Alfred Galaz appears in his brief on appeal of the Judges’ determinations in

the Program Suppliers and Sports categories in this matter (with final briefs filed during the pendency of Alfred Galaz's bankruptcy):

As of January 2015, IPG was owned predominantly by Denise Vernon Multigroup Claimants was owned by Al Galaz, her father. ... [T]he simple reason Ms. Vernon wanted to phase herself out of the CRB proceedings was for personal reasons relating to a close relative, and her father was willing to accept the ownership role that she had maintained. Tax advisors suggested that creating an assignee entity would be more beneficial, rather than just transferring Al Galaz the interest of Ms. Vernon in IPG, and such was the sole purpose of the structure of transfer.

Ex. 3, Appellant's Final Brief, *Multigroup Claimants v. Copyright Royalty Board*, Case No. 18-1338 (D.C. Cir. Aug. 14, 2019) at 26-29 (filed during the pendency of Alfred Galaz's bankruptcy); *see also* Ex. 4, Appellant's Final Reply Brief, Case No. 18-1338 (D.C. Cir. Aug. 14, 2019), at 30 ("[Multigroup Claimants], its predecessor IPG, and their personnel, have been the subject of actions by the CRB that, at minimum, give pause to consider any CRB ruling affecting those persons or entities."). Nothing in any of Multigroup Claimants' filings has suggested that Alfred Galaz d/b/a Multigroup Claimants no longer possessed the rights that his counsel has pursued in his name both before the Judges and on appeal.

The Judges have accepted and relied upon Multigroup Claimants' representations about his identity and authority. *Ruling and Order Regarding Objections to Cable and Satellite Claims* (Oct. 23, 2017) at 2 ("[Multigroup Claimants] is an assumed business name filed by Alfred Galaz as a sole proprietor in Bell County, Texas, on January 20, 2015. ... IPG executed an 'Authorization and Transfer' agreement (also on January 20, 2015), whereby IPG 'engage[d] and authorize[d]' [Multigroup Claimants] to act as IPG's representative in U.S. cable and satellite royalty distribution proceedings."). In their brief in Multigroup Claimants' appeal, the Judges similarly relied upon Multigroup Claimants' representations, and further demonstrated that the identity of Multigroup Claimants was material to them. Ex. 5, Final Brief for Appellees, Case

No. 18-1338 (D.C. Cir. Aug. 14, 2019) at 32-33 (“IPG’s assignment of claims to Multigroup Claimants bore ‘little resemblance to an arms-length transaction.’ Claims Ruling 9 The Judges did not err by refusing to ignore that the new entity is run by the same individuals who ran a prior entity that had demonstrated a consistent pattern of conduct justifying the withholding of an evidentiary presumption of claim validity.”). Multigroup Claimants has done nothing to inform the Judges of any error in the Judges’ understanding or any change in Multigroup Claimants’ status as IPG’s assignee.

B. Alfred Galaz d/b/a Multigroup Claimants Apparently Is No Longer Authorized to Collect Copyright Royalties, if He Ever Was.

In spite of Multigroup Claimants’ representations relating to its identity and authority, and the Judges’ reliance on those representations, the SDC recently become aware of a bankruptcy petition filed by Alfred Galaz and Lois May Galaz in the U.S. Bankruptcy Court for the Northern District of Oklahoma on May 28, 2019. Ex. 6, Voluntary Petition for Individuals Filing for Bankruptcy, *In re Galaz*, No. 19-11098-R (N.D.Ok. Bankr. May 28, 2019) (with attached schedules). This petition raised serious questions as to whether Multigroup Claimants is in fact Alfred Galaz, and whether Multigroup Claimants has the right to pursue or collect royalties on behalf of the claimants it has claimed.

In Part 1 of the petition, Alfred Galaz states that he has formerly done business using the names “Segundo Suenos LLC” and “Worldwide Subsidy,” but he does not identify “Multigroup Claimants” as a current or former business name. In Part 3, he does not identify himself as a sole proprietor of Multigroup Claimants.

In ¶ 19 of Schedule A/B, Alfred Galaz identifies a “sole proprietorship doing contract real estate sales for Coldwell Banker,” but he does not identify Multigroup Claimants or any other business. In ¶¶ 25 and 26, he states that he has no future interests in property and no

interests in intellectual property, including, by example, “proceeds from royalties and licensing agreements.” In ¶¶ 30, 33, 34, and 35, he states that there are no other amounts that someone owes him, no claims against third parties, no contingent and unliquidated claims of any nature, and no financial assets not already listed. All of these representations were made notwithstanding the fact that as of the date of filing of the bankruptcy petition, Multigroup Claimants had distribution determinations for millions of dollars in royalties, and a pending appeal seeking an opportunity for higher distributions.

In Schedules D and E/F, Alfred Galaz does not identify either IPG or Multigroup Claimants’ claimed copyright claimants as creditors. In Schedule G, he does not identify any of Multigroup Claimants’ executory contracts, including Multigroup Claimants’ agreement with IPG or the agency agreements with any claimed copyright claimants.

In ¶ 9 of the Statement of Financial Affairs, Alfred Galaz states that he was not a party in any lawsuit, court action, or administrative proceeding in the year before filing the petition, even though Multigroup Claimants was purportedly a party in at least three administrative proceedings and one appeal before the U.S. Court of Appeals for the D.C. Circuit at the time the petition was filed.

In ¶ 27 of the Statement of Financial Affairs, Alfred Galaz does not identify Multigroup Claimants as a business that he has owned in the last four years, a period of time beginning just a few months after the filing of the Certificate of Ownership.

The only hint in the bankruptcy petition that Alfred Galaz may have ever had any involvement with regard to IPG’s copyright claimants is in ¶ 18 of the Statement of Financial Affairs. Here, Alfred Galaz again makes no mention of Multigroup Claimants, but he claims that on January 1, 2018, he transferred “Worldwide Subsidy” to his ex-wife Ruth Galaz (Raul

Galaz's mother). In describing "Worldwide Subsidy," Alfred Galaz claims, "Business was inactive, \$0 FMV. Collected royalties from TV programs and copyrights." Based on the description, "Worldwide Subsidy" may have had some past relationship with IPG, but it cannot be an alternative name for Multigroup Claimants, which at all times has been claimed to be an active business with a valuable asset - the right to collect millions of dollars in royalties on behalf of dozens of claimants. At any rate, Ruth Galaz has never appeared as a party in any copyright royalty proceeding.

Alfred and Lois Galaz both signed the petition, declaring "under penalty of perjury that the information provided is true and correct," and that "I understand making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for 20 years, or both."

Assuming that Alfred Galaz's statements in his bankruptcy petition were true and correct, as he declared, then he cannot have been Multigroup Claimants, and he does not possess and has never possessed the right to pursue and collect copyright royalties on behalf of the claimants that somebody using the name "Multigroup Claimants" has claimed.

The SDC checked the Assumed Name Records of Bell County, Texas, and found that Multigroup Claimants and Spanish Language Producers both remain assumed names of Alfred Galaz, and that nobody else has filed a Certificate of Ownership as to either assumed name. *See* Ex. 8, Declaration of Eva-Marie Nye at ¶ 4. The SDC have not located "Worldwide Subsidy" in the Assumed Name Records of Bell County, Texas. *Id.* at ¶ 5.

The SDC's research also uncovered a Public Information Report of Worldwide Subsidy Group LLC, apparently signed by Alfred Galaz on June 23, 2018, describing Alfred Galaz as a "partner" in Worldwide Subsidy Group LLC. *Id.* at ¶ 6. Because this current or former

ownership interest also was not disclosed in Alfred Galaz's bankruptcy petition, it again suggests either that Alfred Galaz's bankruptcy filing was false or that somebody else has been signing Alfred Galaz's name to documents associated with Worldwide Subsidy Group LLC.

Faced with the fact that Alfred Galaz's bankruptcy petition appears to be completely inconsistent with what the SDC and the Judges have understood Multigroup Claimants to be, counsel for the SDC wrote to counsel for Multigroup Claimants, seeking clarification. After describing the circumstances, counsel for the SDC posed two questions:

1. Who is Multigroup Claimants? If it is not Alfred Galaz, then who signed the Certificate of Ownership filed in Bell County?
2. On what basis does Multigroup Claimants claim the right to collect copyright royalties on behalf of the claimants that it has purported to represent, when and how was that right created, and who currently claims to be the holder?

Ex. 7, email exchange between M. MacLean and B. Boydston (Nov. 1-4, 2019).

Multigroup Claimants' counsel responded dismissively. *Id.* ("Seriously, where do you come up with your factual and legal theories?"). He implied (without affirmatively stating) that Multigroup Claimants' Certificate of Ownership was not a forgery. *Id.* ("I particularly look forward to your accusation that a document executed by Alfred Galaz in front of a notary public is a 'forgery.'"). He suggested, without further explanation, that Alfred Galaz's bankruptcy petition was in error, and that Alfred Galaz may no longer own the rights that Multigroup Claimants' counsel has been pursuing in his name. *Id.* ("You are correct that Al Galaz erred by omitting reference to his *prior* ownership of Multigroup Claimants (and Spanish Language Producers).") (Emphasis added). He argued that "the oversight would have had no substantive consequence on the bankruptcy petition" (*id.*) (even though the "oversight," if that is what it was, resulted in numerous false statements in responses to questions on the bankruptcy petition and

Statement of Financial Affairs, the purpose of which were to determine if a debtor had owned or divested substantial assets.)

Because Multigroup Claimants' counsel did not directly answer the SDC's questions, the SDC's counsel sought further clarification, asking, "Are you saying definitively that Multigroup Claimants is, and remains, Alfred Galaz, and that Alfred Galaz continues to hold the rights to collect royalties on behalf of those claimants that Multigroup Claimants claims?" *Id.* Multigroup Claimants' counsel again refused to provide a clear answer, saying "I fail to see how it is any business of yours who presently owns Multigroup Claimants," again implying that Alfred Galaz d/b/a Multigroup Claimants may no longer own the right to collect royalties on behalf of the claimants that Multigroup Claimants has purported to represent. *Id.* (The suggestion that someone other than Alfred Galaz might presently "own" Multigroup Claimants is nonsense. There is no "Multigroup Claimants" apart from Alfred Galaz. "In law and in fact ... a sole proprietorship has a legal existence only in the identity of the sole proprietor." *Ideal Lease Serv., Inc. v. Amoco Prod. Co.*, 662 S.W.2d 951, 952 (Tex. 1983).)

Because Alfred Galaz claims no interest in Multigroup Claimants, because the fictitious business name "Multigroup Claimants" appears to be associated with no person or entity other than Alfred Galaz, and because no party has sought to substitute Alfred Galaz d/b/a Multigroup Claimants as a party in this matter, it appears that Multigroup Claimants lacks authority to collect royalty funds in this proceeding or any other. If so, then Multigroup Claimants must be disqualified as an agent in this matter.

II. Law and Argument

It is an unfortunate fact that the copyright royalty system has been infected by fraud. "Sadly, when good faith is presumed rather than proved, and reliable confirmatory information

may be difficult or expensive to obtain, bad actors can pollute the system with fraudulent information” *Ruling and Order Regarding Claims*, No. 2008-1 CRB CD 98-99 (Phase II) (June 18, 2014) at 10. It is incumbent on all participants in these proceedings to be alert to warning signs of fraud, and to promote and enforce systems for the prevention and detection of fraud.

In proposing a rule to debar individuals and entities from participating in proceedings before the Judges, the Judges identified Raul Galaz, IPG’s founder and Alfred Galaz’s son, as a unique and extraordinary threat to the integrity of the compulsory licensing system:

[A] participant in Library of Congress royalty distribution proceedings pled guilty to a count of mail fraud for making fraudulent submissions to the Copyright Office in which he used false aliases and fictitious business entities to claim entitlement to cable and satellite retransmission royalties. ...

After serving a prison term, and with the approval of the sentencing court, the sanctioned individual continued to represent claimants in proceedings before the CRB. In one such proceeding, the Judges found that the same individual did not testify truthfully. ...

Proposed Rule, 82 Fed. Reg. 18601, 18601-02 (Apr. 20, 2017).

The Judges have found that Raul Galaz continues to conduct Multigroup Claimants’ business, and that the conveyance of IPG’s copyright collection rights was “at least in part, to evade the effect of the Judges’ prior rulings concerning the application of the presumption of validity to IPG’s claims.” *Ruling and Order Regarding Objections to Cable and Satellite Claims* (Oct. 23, 2017) at 7-9. “There is no evidence that Alfred Galaz has taken an active role in the royalty collection business since signing the ‘Authorization and Transfer’ documents.” *Id.* at 9.

Alfred Galaz has previously been a witting or unwitting part of Raul Galaz’s fraudulent activities. Under the assumed business name Segundo Suenos (which he later organized as a limited liability company), Alfred Galaz was found to be a “mere straw man” for Raul Galaz in a

fraudulent conveyance of copyright royalty rights. *Galaz v. Galaz*, 2015 Bankr. LEXIS 229, at *13 (Bankr. W.D. Tex. Jan. 23, 2015), *affirmed in Galaz v. Galaz*, 850 F.3d 800 (5th Cir. 2017) (“Alfredo [Galaz] was a mere straw man, while Raul [Galaz] had full knowledge of the fraudulent nature of his actions. The Court finds that Raul intended to defraud debtor by transferring the royalty rights to . . . an LLC purportedly owned by Alfredo, an insider – for no consideration”). The fact that Raul Galaz and Alfred Galaz previously engaged in a fraudulent conveyance of similar assets under similar circumstances demonstrates motive, opportunity, and intent to engage in fraudulent conveyances to protect Raul Galaz’s potential sources of assets and income, like copyright royalty funds and the fees and commissions that were previously destined for IPG and are now destined for Multigroup Claimants.

It is worth noting that a principal component of Raul Galaz’s earlier fraud on the Copyright Office was his registration of the fictitious business name “Tracee Productions” on behalf of “Francisco Dias” with mailing to “Bill Taylor,” two of Raul Galaz’s many aliases. The Judges have previously distinguished the use of the fictitious business name “Tracee Productions” from “Multigroup Claimants” on the ground that “Bill Taylor was a non-existent person whom Raul Galaz held out to be an actual person in order to further a fraudulent scheme. . . . Alfred Galaz is an actual person, who, according to the evidence, has lawfully adopted two different assumed business names in Bell County, Texas.” Order Regarding Objections to Cable and Satellite Claims (Oct. 23, 2017) at 4. Based on the representations made in his bankruptcy petition, however, Alfred Galaz appears to be unaware that he has ever been associated with the name “Multigroup Claimants,” raising a question as to who actually signed the Certificate of Ownership.

The Judges should take care that they not allow themselves to become an instrumentality of a fraud, whether a fraud on the claimants that Multigroup Claimants has purported to represent or a fraud on the creditors of Raul Galaz, IPG, or Alfred Galaz. “The public welfare demands that the agencies of public justice be not so impotent that they must always be mute and helpless victims of deception and fraud.” *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238, 246 (1944). “Whether agency or court, any institution engaging in the adjudicative process must have the power to police the professionals who practice before it.” *Polydoroff v. I.C.C.*, 773 F.2d 372, 375 (D.C. Cir. 1985). Where evidence arises suggesting that a party before the Judges may be engaged in the commission of a fraud, the Judges have the inherent authority and responsibility to inquire further. *Id.* Alfred Galaz’s bankruptcy petition contains representations that are completely at odds with representations made to the Judges by Multigroup Claimants’ counsel. The situation bears several hallmarks of frauds previously perpetrated by Raul Galaz. There is enough evidence to warrant concern and further inquiry by the Judges. It would not be a prudent administration of copyright royalty funds to authorize the final distribution of millions of dollars to an unknown individual or entity with no known legal existence other than in the person of a bankrupt debtor who denies any connection with the name and has previously been found to have participated in a fraudulent conveyance under a different assumed name.

Even in the absence of fraud, of course, the Judges cannot and should not authorize a distribution of royalties to a person who currently lacks the authority to receive them. The Judges have routinely disqualified agents, including both IPG and Multigroup Claimants, from proceeding on behalf of claimants who have not authorized the agents to proceed. *See, e.g., Order Regarding Objections to Cable and Satellite Claims* (Oct. 23, 2017) at 10-34; *see also Independent Producers Group v. Librarian of Congress*, 792 F.3d 132, 141 (D.C. Cir. 2015)

(“[T]he Board reasonably found that IPG’s flimsy evidence – including ambiguous emails and unexecuted copies of agreements – was insufficient to establish IPG’s authority to represent certain claimants.”). The Judges traditionally have determined an agent’s authority on a claimant-by-claimant basis. But in this case, Alfred Galaz’s representations in his bankruptcy petition and statements from Multigroup Claimants’ counsel seem to indicate that Alfred Galaz d/b/a Multigroup Claimants lacks the authority to represent *any* claimants. Unless Multigroup Claimants is able to demonstrate that it had the authority to participate in this proceeding and has the authority to proceed and to receive funds, or unless some other individual or legal entity can show good cause to be substituted in place of Multigroup Claimants (including why such a substitution was not submitted on a timely basis), then Multigroup Claimants should be disqualified simply by virtue of the fact that it lacks authority to proceed, regardless of any fraud.

Accordingly, the SDC request the Judges to inquire further, and to disqualify Multigroup Claimants as an agent if they determine either (1) that Multigroup Claimants is a participant or instrumentality of any fraud, whether on the Judges, the claimants, or the creditors of IPG, Raul Galaz, or Alfred Galaz, or (2) that Alfred Galaz d/b/a Multigroup Claimants is no longer an agent authorized to proceed on behalf of claimants.

The SDC suggest that the Judges proceed first by obtaining responses, with supporting evidence, in answer to questions modeled on the two questions that Multigroup Claimants’ counsel refused to answer when posed by counsel for the SDC:

1. Who is Multigroup Claimants? If it is not Alfred Galaz, then who signed the Certificate of Ownership filed in Bell County, Texas, and why were the Judges and other parties not informed?
2. On what basis does Multigroup Claimants claim the right to have participated throughout these proceedings, to agree to disposition of copyright royalty fees, and to collect royalties on behalf of the claimants

that it has purported to represent? When and how was that right created, does it still exist, and who currently claims to be the holder?

Information and evidence responsive to these questions may reveal what has happened, and may allow the Judges to determine whether Alfred Galaz d/b/a Multigroup Claimants is and remains a proper party to these proceedings.

III. Conclusion

For the foregoing reasons, the SDC respectfully request the Judges to grant their motion, and to order Alfred Galaz d/b/a Multigroup Claimants to show cause why he should not be disqualified as a party in these proceedings.

Date: December 26, 2019

Respectfully submitted,

/s/ Matthew J. MacLean

Matthew J. MacLean (DC Bar No. 479257)

Matthew.MacLean@pillsburylaw.com

Michael A. Warley (DC Bar No. 1028686)

Michael.Warley@pillsburylaw.com

Jessica T. Nyman (D.C. Bar No. 1030613)

Jessica.Nyman@pillsburylaw.com

PILLSBURY WINTHROP SHAW PITTMAN LLP

1200 Seventeenth Street, NW

Washington DC 20036

Tel: (202) 663-8183

Fax: (202) 663-8007

Arnold P. Lutzker (DC Bar No. 108106)

Arnie@lutzker.com

Benjamin Sternberg (DC Bar No. 1016576)

Ben@lutzker.com

LUTZKER & LUTZKER LLP

1233 20th Street, NW, Suite 703

Washington DC 20036

Tel: (202) 408-7600

Fax: (202) 408-7677

Counsel for Settling Devotional Claimants

Certificate of Service

I certify that on December 26, 2019, I caused the foregoing to be served on all parties by filing through the eCRB system.

/s/ Matthew J. MacLean
Matthew J. MacLean

**Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress**

In re

**DISTRIBUTION OF CABLE
ROYALTY FUNDS**

**DISTRIBUTION OF SATELLITE
ROYALTY FUNDS**

**CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-13)**

**DECLARATION OF MATTHEW J. MACLEAN IN SUPPORT OF SETTling
DEVOTIONAL CLAIMANTS' MOTION FOR ORDER TO SHOW CAUSE WHY
MULTIGROUP CLAIMANTS SHOULD NOT BE DISQUALIFIED AS AN AGENT TO
RECEIVE FUNDS ON BEHALF OF CLAIMANTS**

I, Matthew J. MacLean, hereby state and declare as follows:

1. I am a litigation partner in the law firm Pillsbury Winthrop Shaw Pittman LLP. I represent the Settling Devotional Claimants ("SDC") in this matter.
2. Attached hereto as Exhibit 1 is a true and correct copy of a Certificate of Ownership for a Business or Profession filed in the Assumed Name Records of Bell County, Texas, produced by Multigroup Claimants in response to the Judges' *Order Granting in Part SDC's Motion to Compel Production by Multigroup Claimants* (Sep. 14, 2016).
3. Attached hereto as Exhibit 2 is a true and correct copy of an "Authorization and Transfer" produced in discovery by Multigroup Claimants.
4. Attached hereto as Exhibit 3 is a true and correct copy of Appellant's Final Brief, *Multigroup Claimants v. Copyright Royalty Board*, Case No. 18-1338 (D.C. Cir. Aug. 14, 2019).
5. Attached hereto as Exhibit 4 is a true and correct copy of Appellant's Final Reply Brief, *Multigroup Claimants v. Copyright Royalty Board*, Case No. 18-1338 (D.C. Cir. Aug. 14, 2019).

6. Attached hereto as Exhibit 5 is a true and correct copy of Final Brief for Appellees, *Multigroup Claimants v. Copyright Royalty Board*, Case No. 18-1338 (D.C. Cir. Aug. 14, 2019).
7. Attached hereto as Exhibit 6 is a true and correct copy of a Voluntary Petition for Individuals Filing for Bankruptcy, with attached schedules, statements, and disclosures, filed by Mr. Alfred Galaz and Ms. Lois May Galaz in *In re Galaz*, No. 19-11098-R (N.D.Ok. Bankr. May 28, 2019).
8. Attached hereto as Exhibit 7 is a true and correct copy of an email exchange between me and Brian Boydston, Esq., counsel for Multigroup Claimants, on November 1-4, 2019.
9. Attached hereto as Exhibit 8 is a true and correct copy of a declaration of Ms. Eva-Marie Nye, the Director of Research Services for my firm, describing the results of research that I requested her to conduct.

I hereby declare under penalty of perjury that the foregoing is true and correct. Executed December 19, 2019, in Washington, District of Columbia.

/s/ Matthew J. MacLean
Matthew J. MacLean

EXHIBIT 1



Assumed Name Records

2015000148

Certificate of Ownership for a Business or Profession

Name in which business will be conducted: MULTIGROUP CLAIMANTS

Business address: 508 RED CLOUD DR
HARKER HEIGHTS, TX 76548

This business will be conducted as: Sole Proprietor

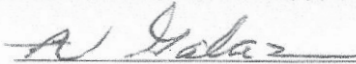
Period during which assumed name will be used: 10 YEARS

FILED FOR RECORD

JAN 20 2015

SHELLEY COSTON
COUNTY CLK, BELL CO. TEXAS

I/WE, the undersigned am/are the owner(s) of the above business and my/our name and address given is/are true and correct, and there is/are no other ownership(s) in said business other than those listed below.



ALFRED GALAZ
508 RED CLOUD DR, HARKER HEIGHTS, TX 76548

Number of owners included 1
No others follow.

State of Texas
County of Bell

BEFORE ME, the Undersigned Authority, on this day personally appeared the above named individual(s) known to me to be the person(s) whose name(s) is/are subscribed to the forgoing instrument and acknowledged to me that he/she/they are the owner(s) of the above named business and that he/she/they signed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office on January 20th, 2015

Shelley Coston
Bell County Clerk, Bell County, Texas

Deputy: 

Melissa L. Yoder

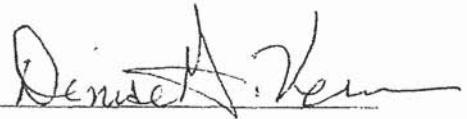
EXHIBIT 2

AUTHORIZATION and TRANSFER

For good and valuable consideration, hereby acknowledged as received, Worldwide Subsidy Group LLC dba Independent Producers Group hereby engages and authorizes Multigroup Claimants to act as its representative in connection with all proceedings relating to U.S. cable and satellite retransmission royalties, to the extent that such proceedings relate to 2010 broadcasts and thereafter, until such parties agree otherwise. Such authorization and transfer shall apply to all categories of programming, subject to the caveat that it shall include Spanish language programming only in the event that such programming is not defined as a separate "Phase I" category, whether by order or stipulation of participants in such proceedings.

Effective Date: January 20, 2015

**WORLDWIDE SUBSIDY GROUP LLC
dba INDEPENDENT PRODUCERS
GROUP**

By: 

MULTIGROUP CLAIMANTS

By: 

EXHIBIT 3

**IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT**

Multigroup Claimants

Appellant,

v.

The Copyright Royalty Board and
Librarian of Congress

Appellees.

Amazing Facts, et al.

Intervenors

Case No. 18-1338

**APPEAL OF MULTIGROUP CLAIMANTS FROM RULINGS OF THE
COPYRIGHT ROYALTY BOARD AND LIBRARIAN OF CONGRESS**

APPELLANT’S FINAL BRIEF

Brian D. Boydston, Esq.
Pick & Boydston, LLP
2288 Westwood Blvd., Ste. 212
Los Angeles, CA 90064

(424) 293-0113
brianb@ix.netcom.com

Counsel for Multigroup Claimants

CERTIFICATE AS TO PARTIES, RULINGS AND RELATED CASES

Parties. The undersigned represents Multigroup Claimants, Appellant in this matter, and no other party. Appellees are the Librarian of Congress and the Copyright Royalty Board (“CRB”).

Rulings. Multigroup Claimants hereby appeals the order of the Copyright Royalty Board (“CRB”) published in the Federal Register on November 30, 2018 in Docket No. 14-CRB-0010-CD/SD (2010-2013). Specifically, Multigroup Claimants appeals that order and the CRB’s interlocutory claims ruling issued on October 23, 2017 ("Ruling and Order Regarding Objections to Cable and Satellite Claims") which materially compromised the royalty awards made to Multigroup Claimants in the CRB’s November 30, 2018 order. Multigroup Claimants appeals on the grounds that the CRB violated 5 U.S.C. § 706 and the decisional law thereunder by issuing an order that, among other things was arbitrary, transgressed unequivocal statutory commands, was not in accordance with law and was unwarranted by the facts to the extent that the facts are subject to trial *de novo* by the reviewing court.

Related Cases. There are currently no related cases. Notwithstanding, Multigroup Claimants anticipates that a related case will arise imminently. Specifically, an appeal of a recently published opinion of the CRB, titled *Distribution of 2004-2009 Cable and 1999-2009 Satellite Funds*, 84 Fed. Reg. 16038 (April 17, 2019).

Respectfully submitted,

Dated August 14, 2019

_____/s/_____
Brian D. Boydston, Esq.
PICK & BOYDSTON, LLP

CORPORATE DISCLOSURE STATEMENT

Pursuant to Circuit Rule 26.1 of the U.S. Court of Appeals for the D.C. Circuit, Appellant Multigroup Claimants hereby asserts that there is no parent corporation or publicly held corporation holding 10% or greater ownership interest in Multigroup Claimants.

Multigroup Claimants is a claimant or an agent of claimants of cable and satellite retransmission royalties distributed by the Copyright Royalty Board pursuant to 17 U.S.C. § 803.

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JURISDICTIONAL STATEMENT

Appellant Multigroup Claimants appeals from the final orders of the Copyright Royalty Board dated October 23, 2017 and November 30, 2018. Multigroup Claimants timely filed its notice of Appeal on December 21, 2018, pursuant to 17 U.S.C. § 803(d).

STATEMENT OF ISSUES PRESENTED FOR REVIEW

1. Whether the CRB erred by denying Multigroup Claimants the “presumption of validity” afforded to all other parties.
2. Whether the CRB’s denial of the “presumption of validity” requires remand of the proceedings in order to reevaluate Multigroup Claimants’ program claims.

STATEMENT OF THE CASE

Multigroup Claimants (“MGC”) hereby appeals the rulings of the CRB, dated October 23, 2017 and November 30, 2018,¹ as they relate to final distribution of 2010-2013 cable and satellite royalties attributable to the sports programming and program suppliers claimant categories.

STATEMENT OF FACTS

A. Introduction.

In light of the several proceedings by which the decisions of the CRB or its predecessors have been considered by this Court, it would serve little purpose to rehearse in detail the history of the establishment and operation of the CRB, or the cable/satellite retransmission royalties that such entity distributes. See generally, *Settling Devotional Claimants v. Copyright Royalty Board*, 797 F.3d 1106 (D.C. Cir. 2015). Suffice it to say that in determining the manner in which owners of copyrighted programs would be compensated for cable/satellite retransmission of their programming, Congress elected to require cable and satellite system operators to periodically pay royalties into a central fund maintained by the CRB, and from which the CRB distributes the allocated amounts to copyright owners-claimants in annual proceedings.

¹ The rulings were respectively titled *Ruling and Order Regarding Objections to Cable and Satellite Claims* (Oct. 23, 2017)(“*Claims Ruling*”)(JA 2558) and *Distribution of Cable Royalty Funds/Distribution of Satellite Royalty Funds*, 83 Fed. Reg. 61683 (Nov. 30, 2018)(JA 2702).

This matter concerns claims for the years 2010 to 2013 in the “sports programming” and “program suppliers” categories. Within the CRB’s adjudication process, parties with claims to the various categories are entitled to challenge the validity of other claimants seeking shares of the same categories. In the underlying adjudication of these matters, the Joint Sports Claimants (“JSC”) and the Motion Picture Association of America (“MPAA”) successfully challenged the legitimacy of claims submitted by Multigroup Claimants, altogether dismissing MGC from the sports programming category, and dismissing wide swaths of MGC’s most valuable claims. Such CRB rulings were ultimately based on a denial of the “presumption of validity” of claims afforded to all other claimants, that itself was premised on nothing more than an inconsequential intra-family transfer.

Without forenotice, the CRB imposed a heightened evidentiary standard on Multigroup Claimants, far in excess of what was required of the JSC and MPAA. In fact, substantial portions of MGC’s claims were dismissed for MGC’s failure to produce evidence that the CRB did not even require the JSC and MPAA to produce in discovery, including documentation sufficient to establish a “chain of title” between themselves and the copyright owners. As a result, Multigroup Claimants contends that the CRB’s disparate treatment of the JSC and MPAA on the one hand, and MGC on the other, was arbitrary and capricious and must be reversed.

B. Procedural History.

Unique from prior retransmission royalty proceedings, the CRB Judges departed from having separate docket numbers for the Phase I and Phase II portions of the 2010-2013 cable proceedings. While the demarcation continued, such terminology was replaced by reference to the “Allocation” and “Distribution” portions of a single proceeding, with a single docket number. *See* 80 Fed. Reg. 108 (June 5, 2015)(JA 1423); *Notice of Participant Groups, Commencement of Voluntary Negotiation Period (Allocation) and Scheduling Order* (Nov. 25, 2015)(JA 1462).

Because of its effect upon the “Allocation” portion of proceedings, the Judges thereafter ordered that as a prerequisite, there be a hearing addressing “claims validity and categorization”. *Order for Further Proceedings* (March 14, 2016)(JA 1468). Pursuant to such order, the Judges directed the parties to engage in a limited period of disclosure and discovery, and directed “[p]arties asserting the existence of a controversy involving validity or categorization of a claim” to “provide full disclosure to all other claims parties....” *Id.* The Judges expressly noted that they would take “a dim view of any party’s reluctance to provide, *without request*, full documentation of (1) authority to represent each claimant, (2) accurate program identity information for each claimant (*e.g.*, correct title and

other identifying information in cases in which titles may be confused, *etc.*), and (3) a clear statement, by royalty year, of each claimant's claim against each year's royalty fund." *Id.* Consequently, a mandated disclosure of all program claims was imposed even though additional discovery was allowed. *Id.*

In the course of discovery, several motions to compel production were filed. Of relevance here are Multigroup Claimants' separate motions to compel production by the JSC and MPAA. Neither of those parties filed motions to compel production against Multigroup Claimants. While Multigroup Claimants understands that courts generally loathe adjudicating discovery rulings, the CRB's discovery rulings are notable for the evident reason that they display an irreconcilable disparate treatment of the parties before the CRB. Documents found to be acceptable for production by the JSC were found to be unacceptable when produced by Multigroup Claimants, and were deemed the basis for MGC's dismissal from the "sports programming" category. Document requests previously defended by the CRB *to this very Court* were found overreaching by the CRB when propounded by Multigroup Claimants on the MPAA. Such discovery rulings have had a dramatic effect upon Multigroup Claimants, disabling Multigroup Claimants from asserting legitimate challenges to its adversaries' claims, all the while enabling the successful challenge of a broad swath of MGC's represented

claims. No alternative exists but to fully address these discrepancies head on, because they dictated arbitrary consequences.

C. Multigroup Claimants' Motion to Compel Production by JSC.

The *Motion to Compel Production by the JSC* was brought by Multigroup Claimants on multiple grounds. See *Multigroup Claimants' First Motion to Compel Production of Documents Not Produced by Joint Sports Claimants and/or Dismiss Claims* (April 11, 2016)(JA 1472). Specifically, Multigroup Claimants contended that the JSC did not provide “accurate program identity information”, and “correct title and other identifying information”, as was mandated by the CRB. *Id.* Although the Judges ruled in Multigroup Claimants' favor on other matters, it rejected one significant argument brought by Multigroup Claimants, i.e., that the JSC had only provided generalized descriptions of its claimed programs.

As Exhibit E to its motion, Multigroup Claimants attached an exemplar of the JSC production. The aggregate JSC response to program identification was to submit a spreadsheet with no information regarding the sporting event broadcasts for which royalties were being claimed. In the exemplar, the spreadsheet columns merely stated “College football and men's and women's basketball broadcasts, including the NCAA Division I men's basketball championship tournaments”. (JA 1472 at 1499 (Exh. E)).

Literally no other information was provided regarding the identity of the programming, such as the dates/times of the sporting events, the teams involved in the sporting events, or even the broadcasters of the particular sporting events. MGC noted to the CRB that because the generality of all available data reporting retransmitted broadcasts, it would never be sufficient for the JSC to simply report “all broadcasts of X team”. In fact, and to demonstrate such fact, MGC explained that college football broadcasts were only reported as “college football” in all available data, and never by the team names (e.g., “Notre Dame vs. USC”). The JSC represents only a small fraction of collegiate institutions and, consequently, no means existed to assess which programming the JSC was validly entitled to claim. As such, the purposely ambiguous identification of programming by the JSC meant that there could be no meaningful review of the issues to be addressed in the validity and categorization of claims process.³

³ To clarify, contrary to objections in past and current proceedings, the CRB adopted a definition of “sports programming” that does not include *all* sports programming. Rather, it is a defined term: “Live telecasts of professional and college team sports broadcast by U.S. and Canadian television stations, except programs in the Canadian Claimants category.” *Notice of Participant Groups, Commencement of Voluntary Negotiation Period (Allocation) and Scheduling Order* (Nov. 25, 2015), at Exh. A (JA 1462, at 1466). Thus, the category does *not* include re-broadcasts or tape-delayed broadcasts, even of a live broadcast of the *identical* event falling in the sports category. It does not include broadcasts of the Olympics, because it is a *non-college* amateur sporting event. It does not include professional soccer broadcast from Mexico, even though the identical sporting event broadcast from a U.S. station is categorized as “sports programming”. It does not include any *individual* sporting events, such as golf, ice skating, boxing.

In response to MGC's objection, the CRB held the following:

“Having reviewed Exhibits D and E to the Motion and Exhibits 6-11 to the Opposition, the Judges find that the information contained in JSC's production complies with the Judges' directive to provide “accurate program identity information for each claimant” and “a clear statement, by royalty year, of each claimant's claim against each year's royalty fund.” March 14th Order at 2. The Judges recognize that telecasts of live sporting events by their nature must be identified differently from other types of programming. Syndicated television shows, for example, can be identified by a title, such as “Seinfeld.” Sporting events, by contrast, are typically identified by the sport, the type of game (e.g., preseason, regular season, playoff), and the participating teams. That is how JSC has identified its programming in its document production. *Short of producing a broadcast-by-broadcast listing of sports programming, it is unclear to the Judges how else JSC could have identified its programming.* [fn.: Broadcast-by-broadcast identification of programming is not necessary for purposes of testing the validity and categorization of claims, and the Judges will not require JSC to produce such detailed information.]”

Order Regarding Multigroup Claimants' First Motion to Compel Production of Documents by Joint Sports Claimants (Sept. 14, 2016), at 5-6 (emphasis added)(JA 1585 at 1589-1590).

In sum, the CRB found it acceptable for the JSC to produce no more information than to generally describe, for example, its claim as being to “College football and men's and women's basketball broadcasts”, and to reiterate that the claim was being made in the sports programming category for each of the 2010-2013 cable and satellite royalty pools.

D. Multigroup Claimants' Motion to Compel Production by the MPAA.

Several discovery issues were addressed by MGC's motion to compel production by the MPAA. Most significant, however, were the MPAA's response to the following discovery requests:

5. Any and all correspondence with represented claimants regarding conflicting claims to a particular program, and the resolution thereof, if any;

6. Any and documents that undermine the basis for you to file each of the claims in this proceeding, *e.g.*, any documents that withdraw, revoke, deny, dispute, limit, qualify, or otherwise "may tend to undermine" your claimed authority to represent the claimant (*see Independent Producers Group v. Librarian of Congress*, 792 F.3d 132, 139 (D.C. Cir. 2015), or any documents that undermine claim to a particular program in this proceeding.

See Order Granting In Part Multigroup Claimants' First Motion to Compel

Production of Documents by Motion Picture Association of America (Sept. 14, 2016), at 2 (JA 1591, at 1592).

There is a clear overlap between the two document requests, with Request no. 5 necessarily being a subset of Request no. 6, and an explanation for this redundancy is necessary. Request no. 5 seeks documents reflecting conflicting claims amongst the MPAA's own represented claimants. Request no. 6 seeks documents that generally tend to undermine a party's claimed authority, which *would* include documents reflecting conflicting claims between different purported copyright owners. Such was the identical reasoning by which the CRB levied a

sanction on MGC's predecessor,⁴ which this Court upheld in the opinion cited in the document request. See *Independent Producers Group v. Librarian of Congress*, 792 F.3d 132, 139 (D.C. Cir. 2015).

As a matter of background, the MPAA purports to represent *thousands* of copyright owners. However, by its own admission, the MPAA only “directly represented approximately 100 claimants in each royalty year”, yet made claim for between 6,200 and 9,400 copyright owners during 2010-2013. *MPAA Direct Statement*, Test. of Jane Saunders at 4 (June 30, 2017)(JA 1919, at 1924). No different than in prior proceedings, the CRB did not require the MPAA to produce any more than its “approximately 100” agreements.⁵ That is, despite the fact that certain agreements are with non-copyright owners purporting to act as an *agent* of *hundreds* of copyright owners, the CRB does not require the MPAA to produce the agreements between the (purported) agent and the (purported) copyright owner. Even if such agent/owner agreements were in the possession of the MPAA, the

⁴ Multigroup Claimants' predecessor-in-interest is Worldwide Subsidy Group, LLC dba Independent Producers Group (“IPG”).

⁵ Moreover, and despite the fact that all parties are subject to a protective order prohibiting dissemination of information received in the proceedings, the CRB nonetheless sanctioned extraordinary redactions of the MPAA's agreements, that precluded any inquiry into the substance of provisions relating to conflicting claims amongst MPAA-represented claimants. See *Multigroup Claimants' First Motion to Compel Production by the Motion Picture Association of America*, at Exh. D (JA 2725, at 2754); (JA 1591, at 1594-1595).

CRB has repeatedly refused to compel the MPAA to produce such documents. In marked contrast, the CRB required MGC and its predecessor to produce agreements regarding the *entire* chain-of-title for each and every program within its claims.⁶

In prior proceedings, MGC's predecessor complained that this created a situation "rife with moral hazard", as the MPAA engaged in no substantive inquiry into the legitimacy of an agent's purported representation of hundreds of copyright owners or their programs. Further, what dramatically appeared in a proceeding whose appeal will soon be before this Court (the consolidated 1999-2009 satellite, 2004-2009 cable proceedings; the "Consolidated Proceeding") were situations in which multiple MPAA-represented claimants each made false claim to own the

⁶ As part of the claims validity and categorization process at issue herein (see discussion *infra*), Multigroup Claimants (no different than its predecessor) protested that the disparate levels of proof were inequitable and lacked due process, and again the CRB rationalized such disparate requirements of proof. Specifically, in response to Multigroup Claimants' challenge to the programming of 539/412 claimants that the MPAA *purported* to represent in the cable/satellite proceedings – without any documentation thereof -- the CRB held:

"[Multigroup Claimants'] chain-of-title arguments are unavailing. *MPAA benefits from the presumption of validity* with regard to the individual and joint claimants it represents. Beyond that, MPAA has instituted a verification process that is sufficiently rigorous to assure the integrity of these proceedings. Claimants and claimant representatives certify their authority to assert the underlying claims."

Claims Ruling (JA 2558, at 2598).

same program. Obviously, if MPAA-represented parties make false or inaccurate claims to particular programs, or to represent particular copyright owners, issues exist as to the legitimacy of *all* their claims.

In order to avoid objection to its document requests, Multigroup Claimants' Request no. 6 cited an opinion of this Court whereby a sanction was upheld for failure to adequately respond to the *identical* document request. Despite such fact, the MPAA refused to respond other than by objection that such production would be "unduly burdensome", connoting that numerous documents responsive to the request exist.

More recently, it was precisely on such basis that in the Consolidated Proceeding the CRB dismissed a wide swath of IPG-claimed programs, merely because they were claimed by both the producer and distributor of the program, and despite IPG's production of all information in its possession making claim for such programs (i.e., correspondence from its represented claimants).⁷ In that instance, there was no evidence presented as to "conflicting claims" amongst *unrelated* IPG-represented claimants, but the claims were nonetheless dismissed. It is therefore befuddling that, faced with the identical circumstances, the CRB ruled that the MPAA was not required to even produce the identical documents upon which the CRB based its dismissal of multiple IPG-represented programs.

⁷ *Consolidated Proceeding, Memorandum Opinion and Ruling on Validity and Categorization of Claims* (March 13, 2015), at pp. 44-45 (JA 1083, at 1126-1127).

(JA 1591, at 1593-1594).

The arbitrariness of the CRB's discovery ruling is made further apparent by a particular program at issue in the *Consolidated Proceeding*. Thereat, the CRB ruled that IPG's claim to the "Emmy Awards" on behalf of the Academy of Television Arts and Sciences trumped the *five* different MPAA-represented parties making claim for the same program between 2000 and 2009. (JA 1083, at 1098-1099). As was demonstrated, the "Emmy Awards" were *and always had been* owned by the Academy. Nonetheless, *five* different MPAA-represented claimants (including a foreign entity) had fraudulently made claim thereto. Still, such revelation produced no result from the CRB other than to designate the rightsholder to *that* single program. No inquiry was made by the CRB into the legitimacy of the fraudulent claimants' *other* claims. No pause occurred to reconsider the MPAA's asserted "rigorous" verification process, or the asserted sufficiency of any MPAA-represented agent's "certification of authority". No sanction occurred for such obvious malfeasance, such as denying the MPAA's "presumption of validity", as was imposed on Multigroup Claimants in this proceeding. Rather, foreclosing any challenge on these bases, in this proceeding the CRB simply denied Multigroup Claimants' discovery request – even though it was the *identical* discovery request that served as the basis of a sanction that the

CRB defended to this Court in a prior appeal.⁸

E. The CRB's Rulings on Claims Validity.

⁸ Comparably, IPG was also *severely* sanctioned in the Consolidated Proceeding for ostensibly failing to respond to the *identical* document request to which the CRB did not compel the MPAA to respond in this proceeding. That ruling is currently before this Court in case no. 18-1337, *Independent Producers Group v. Copyright Royalty Board*.

In the Consolidated Proceeding, the CRB dismissed each of fifty-one (51) claims over an 11-year period held by Eagle Mountain International Church dba Kenneth Copeland Ministries, Benny Hinn Media Ministries, and Creflo Dollar Ministries on the grounds that a single decade-old email (that was originally cc:'d to the complaining party, and therefore already in the complaining party's possession) was not produced in discovery. As the briefing reflects, IPG produced tens of thousands of documents. IPG noted that the email was already in the complaining party's possession a decade earlier, was entered into evidence in the immediately preceding distribution proceeding (*ergo*, no issue as to its current existence or availability to the complaining party), but most importantly, the explicit text of the email confirmed that such email was *not even responsive* to the complaining party's document request. (JA 1083, at 1121).

Even following two motions for reconsideration of such ruling, presenting newly-discovered evidence improperly withheld by the complaining party, and pointing out that the sanction dismissed the claims for *half of the entire* devotional programming category (worth \$28 Million), the CRB obstinately defended its ruling. The CRB contended that even though the single email did not result in any contractually-related event, e.g., contract termination, it *could* have. Specifically, the CRB maintained that the letter was an "attempted termination", whatever that is, despite unrefuted evidence that no termination ever occurred.

IPG originally filed suit before the District Court for the D.C. Circuit challenging the CRB's conduct. After receiving assurances that review of such matter will not be challenged before this Court, IPG withdrew such action without prejudice to re-file. See *Complaint for Declaratory and Injunctive Relief* (Dec. 8, 2017) at 10-20, *Worldwide Subsidy Group v. Carla Hayden and Copyright Royalty Board*, Case no. 1:17-cv-02643-RC (D.C. Cir.)(JA 2644, at 2653-2663).

Following the conclusion of discovery, whereby Multigroup Claimants was denied the ability to secure the most basic of documents relating to the identity of the JSC-claimed programs, or documents reflecting conflicting claims to MPAA-claimed programs, the CRB turned its attention to motions to dismiss claims based on claim validity. On October 23, 2017, the CRB issued its 86-page ruling on claim validity, of which 77 pages were devoted to challenges to Multigroup Claimants' claims in three claimant categories – sports programming, program suppliers, and devotional programming. *Claims Ruling* (JA 2558).

Challenges in the devotional programming category yielded no change to Multigroup Claimants' devotional claims. *Id.* at 50-55. By contrast, however, challenges in the other two claimant categories resulted in Multigroup Claimants' altogether dismissal from the sports programming category (*Id.* at 47-49), and the dismissal of a vast bulk of claimants and program claims in the program suppliers category. *Id.* at 13-40, 59-85.

1. The CRB's imputed "Presumption of Validity".

By far the most significant ruling made against Multigroup Claimants in this proceeding related to a sanction in a *prior* proceeding. In the prior Consolidated Proceeding, the CRB ruled that the claims of Multigroup Claimants' predecessor was not entitled the imputed "presumption of validity" of claims. Because the CRB remanded the Consolidated Proceeding for a second round of hearings, and

only recently announced its final decision relating thereto,⁹ this proceeding relating to 2010-2013 cable/satellite royalties comes before this Court out of order.

However, as set forth in the Addendum hereto, when the time comes, IPG will be able to make a compelling case for reversing that Consolidated Proceeding sanction.

Why would a sanction against IPG in a prior proceeding be relevant to Multigroup Claimants in this proceeding? Because for reasons that can only be deemed mind-numbing, the CRB carried over such sanction from the Consolidated Proceeding and imposed them on Multigroup Claimants in the current proceeding. The resulting consequence was to irretrievably poison the CRB's *Claims Ruling* by imposing differing levels of proof upon Multigroup Claimants than any of its adversaries, and decimating Multigroup Claimants' program claims.

a. The CRB's imposition of the "presumption of validity" sanction against Multigroup Claimants in the current proceeding.

Technically, Multigroup Claimants was a first-time participant to the retransmission royalty proceedings. However, Multigroup Claimants acquired its authority to act in the 2010-2013 cable/satellite proceeding from its predecessor-in-interest, IPG, pursuant to a transfer occurring in January 2015. Despite such

⁹ See *Distribution of 2004-2009 Cable and 1999-2009 Satellite Funds*, 84 Fed. Reg. 16038 (April 17, 2019)(JA 2714).

transfer, the same individuals acting on behalf of IPG's interests (including representatives and counsel) continued acting on behalf of Multigroup Claimants in these proceedings. *Claims Ruling* (JA 2558 at 2559).

Since its inception in 1998, IPG has always been a family-run business, and such fact has been well documented. As of January 2015, IPG was owned predominately by Denise Vernon, who actively participated in IPG's business, including in proceedings before the CRB. *Id.* Multigroup Claimants was owned by Al Galaz, her father. While Ms. Vernon's transfer of rights to an entity held in his name should be of no moment, this singular fact was the basis for several specious arguments for Multigroup Claimants to be dismissed from the proceedings altogether. *Claims Ruling* (JA 2558, at 2559-2562). The CRB did not dismiss Multigroup Claimants from the proceeding, but one of the allegations was the basis for the CRB to deny Multigroup Claimants and its approximately 200 represented claimants the "presumption of validity" afforded to all other claimants in these proceedings, effectively decimating their claims. *Claims Ruling* (JA 2558, at 2562-2570).

Specifically, as a basis for denying Multigroup Claimants the "presumption of validity in the current proceeding, the CRB cited denial of such presumption to

IPG in two prior proceedings.¹¹ Further, the CRB noted that in the Consolidated Proceeding IPG had argued that (i) the CRB was excusing evidence of inappropriate (fraudulent) claims and (ii) denying discovery related to MPAA-claimed programming, solely because of an “additional layer of agency” in the chain-of-title – the *same* argument asserted in these proceedings and this brief. Nevertheless, the CRB placed a nefarious twist on IPG’s argument from the prior proceedings, asserting that IPG’s argument “foreshadowed its intention to insert a new layer of representative entities in forthcoming proceedings, in an attempt to create what it asserted would be a tier of relationships analogous to those utilized by MPAA.” According to the CRB, this was IPG’s “threatened approach”. *Claims Ruling* (JA 2558, at 2564).

Perhaps such position could have been asserted except for the damning fact that Multigroup Claimants had *already* produced in discovery the *identical* substantiating documentation that it would have produced in the absence of the “additional layer of agency”. That is, Multigroup Claimants took no advantage of the “additional layer of agency”. Such fact was superficially acknowledged by the

¹¹ Although IPG (and Multigroup Claimants) could equally address the arbitrariness of such ruling in the 1998-1999 cable proceeding, involving only the devotional programming category, no need existed because no devotional claims were affected, despite imposition of such sanction.

CRB in its ruling,¹² yet the CRB *still* imposed the sanction levied against IPG in prior proceedings.

The CRB's analysis was to examine the intra-family transfer from IPG to Multigroup Claimants, conclude that it was not an "arms length transaction", then find that because Multigroup Claimants never explained *why* the transaction occurred it "suggests that MGC exists, at least in part, to avoid the evidentiary burden that the Judges have placed on IPG in past proceedings by denying IPG claims a presumption of validity." *Claims Ruling* (JA 2558, at 2566).

In fact, the CRB's rationalization makes no sense *unless* the CRB's intent was to illegally carry forward the sanction levied against IPG in the Consolidated Proceeding – for alleged perjury that IPG can affirmatively disprove (see Addendum) -- to *all* future proceedings, and apply it against *all* successors-in-interest of IPG and their claimants. No basis in law exists to perpetually impose such a sanction, and the CRB never previously indicated its sanction would be perpetually imposed. Consequently, IPG had no reason to engage in the intra-family transfer to "avoid" a heightened evidentiary burden, because none could be presumed to be imposed.

¹² "Because [Multigroup Claimants] produced the same underlying claim documentation that IPG would have produced, the Judges are persuaded that IPG/MGC/SLP did not transfer representational authority for the reasons IPG [sic] suggested in these consolidated distribution proceedings." *Claims Ruling* (JA 2558, at 2564).

Ironically, no inquiry was actually made by the CRB of the business purpose for IPG's assignment of rights, nor should one have been required. The CRB acknowledged Ms. Vernon's active participation on behalf of IPG at multiple CRB proceedings, as a witness and otherwise (*Claims Ruling* (JA 2558, at 2565-2566)), and the simple reason Ms. Vernon wanted to phase herself out of the CRB proceedings was for personal reasons relating to a close relative, and her father was willing to accept the ownership role that she had maintained. Tax advisors suggested that creating an assignee entity would be more beneficial, rather than just transferring Al Galaz the interest of Ms. Vernon in IPG, and such was the sole purpose of the structure of transfer.¹⁴ The *Claims Ruling*, which levied a

¹⁴ In order to buttress its finding of "suspect" activity, the CRB also challenged Multigroup Claimants' contention that Al Galaz was not already a part owner of IPG at the time of transfer, citing a 2015 finding of a U.S. District Court that he was an owner. *Claims Ruling* (JA 2558, at 2565 (fn. 15)). However, in order to make such finding, the CRB distorted *both* the contention of the MPAA and the statement of the District Court regarding such matter. As even the MPAA noted, Al Galaz secured "Marian Oshita's ownership interest in IPG". *MPAA Reply to Multigroup Claimants' Opposition to MPAA Motion for Disallowance of Claims* (Nov. 15, 2016) at 5 (JA 1799, at 1807). Had the Judges read the entire legal opinion, it would have seen that "Ms. Oshita's" interest was acquired via judicial foreclosure, and included claims against another for monetary claims "from 2007 to 2011". *Nothing* therein suggests that Ms. Oshita, a prior co-owner of IPG, retained continuing interests in 2012, when Al Galaz stepped into her shoes. *See Galaz v. Katona*, 2015 U.S. Dist. LEXIS 125592 (W.D. Tex. 2015).

In fact, Multigroup Claimants never had an opportunity to address such matter because it was first raised in an MPAA reply brief, and the CRB (as it is apt to do) chronically incorporates arguments from evidence to which a party is never allowed to respond. As Multigroup Claimants made clear in its briefing there and

gargantuan sanction for a seemingly innocent transaction, only further confirmed Ms. Vernon's desire to extricate herself from the proceedings.

Finally, the CRB cited nine claimants for which IPG – not Multigroup Claimants -- filed “July claims” “without the authorization of the claimants”.¹⁵ *Claims Ruling* (JA 2558, at 2567-2568). In fact, such was not the case. Each of the identified claimants had entered into a written agreement with IPG that was produced in discovery, as were the notices of termination of each of them. Each of the IPG agreements contain a post-Term collection provision, entitling IPG to collect unto infinity any claims arising during the “Term” of the agreement.¹⁶ As described herein, despite the existence of this provision, the CRB unconstitutionally engaged in the interpretation of such agreements,¹⁷ deemed them

here, as of the transfer from IPG to Multigroup Claimants, Al Galaz retained *zero* interest in IPG.

¹⁵ “July claims” are the annual claims that are required to be filed in July in order to preserve royalty claims for the immediately preceding year.

¹⁶ Such provisions are commonplace for royalty collection agreements. As with these proceedings, which have now taken *decades* to conclude, absent the post-Term collection provision an assignee or agent would be denied the fruit of their labors if the assignor abruptly terminated their agreement on the eve of a royalty distribution.

¹⁷ *National Broadcasting Company v. Copyright Royalty Tribunal*, 848 F.2d 1289 (1988).

“agency” agreements, and held that “termination means termination means termination”, expressly rejecting IPG’s post-Term collection entitlement.

In fact, Multigroup Claimants was not even pursuing claims for the last five entities listed by the CRB. In fact, Multigroup Claimants retained a continuing entitlement to claim royalties for one entity, FIFA, which was a matter of an ongoing lawsuit. See Statement of Facts, Section E.2.b., *infra*. In fact, while the three remaining entities had provided IPG with notices of termination, none asserted that IPG’s post-Term collection right was ineffective (which would work contrary to their interests by denying them royalties they were otherwise entitled). Moreover, to the extent any of the listed entities with whom IPG had contracted were to have rejected IPG’s post-Term collection right, such position would have been in obvious breach of their agreement with IPG.¹⁸ Finally, to the extent that

¹⁸ Two caveats to this statement exist. First, IPG made claim on behalf of Bob Ross, Inc. for several years under the mistaken impression that its agreement was open ended, as with all other IPG agreements. Bob Ross, Inc. also had such misimpression, as for nearly a decade IPG collected royalties from other sources and accounted to Bob Ross, Inc., without any objection by Bob Ross, Inc. Nevertheless, it was subsequently discovered that the agreement was for a defined term that had already ended, and IPG thereafter stopped making “July claims” for Bob Ross, Inc.

Second, in the course of these proceedings, a representative of Golden Films, whom had subsequently affiliated with the MPAA, produced a notice of termination ostensibly sent to IPG several years earlier. IPG was wholly unfamiliar with the document, and despite issues regarding whether such notice had actually been sent, IPG thereafter stopped making “July claims” for such entity.

IPG filed “July claims” for 2010-2013, each filing occurred long prior to the CRB’s ruling in March 2015 (albeit legally incorrect) that IPG’s post-Term collection entitlement would be disregarded, a ruling first capable of being appealed as of April 17, 2019.

In effect, Multigroup Claimants was levied with the sanction denying it the “presumption of validity” for one reason – because the sanction had been levied on IPG in a prior proceeding.

b. The practical and monetary effect of the “presumption of validity” sanction.

The significance of denying MGC the “presumption of validity” is multivaried, yet remains to be comprehensively defined. Prior rulings of the CRB found that in the event of conflicting claims between parties, the party retaining the “presumption of validity” prevails.¹⁹ More obviously, a party denied the “presumption of validity” is subject to a heightened level of proof in order to establish a claim, to which other parties are not subject. Whereas a party retaining the “presumption of validity” need only present its contract with someone making claim to a program, and attest that the person made claim for a particular program

¹⁹ In the instance of the “Emmy Awards”, addressed above, in the Consolidated Proceeding IPG was *only* able to overcome the challenge by five MPAA-represented claimants also making claim for the program by involving executives of the Academy of Television Arts and Sciences and securing declarations from them detailing the Academy’s copyright ownership. (JA 1083, at 1098-1099).

(either as the copyright owner or an agent thereof), it remains unclear what documentation parties denied the “presumption of validity” must provide.

Notably, both in this proceeding and the Consolidated Proceeding, neither Multigroup Claimants nor IPG were informed that they were being denied the “presumption of validity”, and therefore subject to a heightened level of proof, *until* the claims validity rulings were issued. Regardless, the sheer number of represented claimants and programs would have made comprehensive response a hopelessly massive project incapable of being performed over the course of mere weeks. It was not lost on the CRB that Multigroup Claimants represented approximately 200 claimants per year during 2010-2013, with a catalogue of 2,731 programs, all of whose claims were at risk.

Multigroup Claimants can only speculate as to the full monetary effect of the CRB’s denial of the “presumption of validity” to Multigroup Claimants in this proceeding. Notwithstanding, the resulting royalties to which IPG was denied in the Consolidated Proceeding equaled no less than \$35,000,000 (see Addendum), a figure based on the values attributed to IPG programming *by the MPAA’s data* prior to imposition of the CRB sanction, versus the values resulting following imposition of such sanction. (JA 2644, at 2677-2678). MGC has no reason to presume that the CRB’s imposition of the sanction against MGC in this proceeding is not of comparable worth.

2. Challenges to Multigroup Claimants “Sports Programming” Claims.

In the claims hearing, the JSC challenged each of the three Multigroup Claimants-represented claimants on multivaried grounds, but with the common argument that their programming does not fall within the “sports programming” category. The represented entities included Federation Internationale de Football Association (“FIFA”), the Canadian Football League (“CFL”), and Azteca International Corporation (“Azteca”), each of whom had contracted with IPG, Multigroup Claimants’ predecessor-in-interest.

Each of the represented claimants are well known. FIFA is the organizing body and owner of the “World Cup” soccer matches. The CFL is organizer and owner of Canadian professional football. Azteca is larger than both, and is the U.S. subsidiary of TV Azteca, the owner of two of the four Mexican television networks. While having an extensive entertainment programming catalogue, Azteca’s sports programming notably included U.S. broadcasts of Liga Mexicana, Mexico’s professional soccer organization.

a. The significance of correct program categorization.

The Phase I/Allocation category into which programming is placed has dramatic monetary consequences. The CRB has previously ruled that the criteria for allocation *amongst* claimant categories is different from the criteria for distribution *within* claimant categories. Unlike allocation *amongst* claimant

categories, distribution *within* a claimant category has most predominately been based on viewership. As such, recent CRB rulings highlight the fact that the ascribed value of a particular program – despite having *identical* distribution and viewership -- will differ significantly based on which claimant category it is placed.

For example, in a recent CRB decision regarding 2010-2013 Phase I/Allocation royalties, the “sports programming” category received 32% of the primary Allocation funds for 2010, despite having only 2% of the aggregate retransmitted viewership for such year. By contrast, the catch-all “program suppliers” category received 26% of the primary Allocation funds despite having a massive 50% of the aggregate retransmitted viewership.²⁰ Consequently, a program claimed in the sports programming category will be valued at approximately *thirty-one (31)* times the value of the same program if placed in the program suppliers category – a mathematical truism.²¹

²⁰ Cf. “Royalty Allocations” and “Gray Viewing Shares” for the sports programming category and program suppliers category; *Distribution of Cable Royalty Funds*, 84 Fed. Reg. 3552 (Feb. 12, 2019), at 3552, 3593.

²¹ $32\%/2\% = 16$ (sports programming); $26\%/50\% = .52$ (program suppliers). $16/.52 = 30.7$.

It is therefore imperative that programs are correctly categorized. Failure to do so would otherwise render the value ascribed to any particular program an arbitrary figure.

b. The rulings against FIFA programming.

The situation involving FIFA involved a novel circumstance. After entering into a 2001 agreement with FIFA to represent it in the collection of U.S. retransmission royalties, IPG dutifully performed, making over forty filings on FIFA's behalf in order to preserve its claims. Nevertheless, the first relevant proceeding to such rights were not commenced by the Copyright Office *for a decade*. Once commenced, FIFA refused to cooperate, contending that no agreement had been entered into.²²

In these 2010-2013 proceedings, the CRB effectively reiterated its basis for dismissing all FIFA-related claims in the Consolidated Proceeding. In the Consolidated Proceeding, despite the fact that this Court has long ruled that the CRB (and its predecessors) has no authority to "interpret contracts", the CRB

²² In hindsight, with the assistance of information gleaned in a lawsuit brought against FIFA, Multigroup Claimants suspects that FIFA's lack of cooperation may have been a product of a concern by FIFA that documents reflecting the license of television rights at far below market value would be revealed. FIFA's refusal to cooperate with IPG occurred concurrent with a well-publicized multinational criminal investigation of FIFA.

expressly did so.²³ First, and contrary to the plain language of the IPG/FIFA agreement, the CRB held that the “assignment” of FIFA’s right to retransmission royalties was not, in fact, an “assignment”, holding that such agreement was an “agency” agreement.²⁴ Relying on agency law, the CRB then concluded that FIFA’s termination of “agency”, even if a breach of its agreement with IPG, must be compelled. *Id.* In response to IPG’s assertion that the CRB was judicially estopped from interpreting contracts, the CRB simply contended that it was not doing so. *Id.* Consistent with its prior rulings against IPG in the Consolidated Proceeding, the CRB expressly incorporated those rulings against Multigroup Claimants in the present proceeding. *Claims Ruling* (JA 2558, at 2604).

Of particular concern, however, was the means by which the CRB blithely dismissed a ruling of the United States Court of Appeals for the Ninth Circuit as being of no significance. *Claims Ruling* (JA 2558, at 2603). In light of FIFA’s lack of cooperation, IPG had lodged suit against FIFA in Los Angeles, California, invoking a forum selection clause in the agreement. See generally, *Worldwide*

²³ Long-standing precedent in CRB proceedings explicitly prohibits review of such issues in distribution proceedings by the distributing tribunal, and holds that determinations relating to contractual interpretation between parties is retained by the state and federal courts applying state law. *National Broadcasting Company v. Copyright Royalty Tribunal*, 848 F.2d 1289 (1988).

²⁴ See *Consolidated Proceeding, Order on JSC Motion for Summary Adjudication* (Aug. 29, 2014) at 5-7 (JA 20, at 24-26).

Subsidy Group v. Federation Internationale de Football Association, Case No. 2:14-cv-00013-AB-JC (C.D. Ca.). After a wide array of defensive motions by FIFA, the Ninth Circuit Court of Appeals confirmed that IPG had established a *prima facie* case that an agreement existed, thereby ratifying the forum selection clause. See *Memorandum Opinion* (Jan. 11, 2017), *Worldwide Subsidy Group v. Federation Internationale de Football Association*, Case No. 14-56819 (9th Cir.)(JA 1900). Even after formally bringing this development to the CRB’s attention, the CRB concluded it was of no consequence because it merely demonstrated that a *prima facie* showing of an enforceable contract existed, and “did not establish the existence of a valid contract between IPG and FIFA.”²⁵ *Claims Ruling* (JA 2558, at 2603). Ironically, after reviewing the *identical* contract formation documents on which the Ninth Circuit adamantly concluded the existence of a *prima facie* case, in the Consolidated Proceeding the CRB opined that such documents would not have established the existence of a contract. (JA 2558, at 2603-2604). Notably, zero countervailing evidence has ever been presented by the JSC (nor FIFA in the California action) to the contract formation

²⁵ The CRB had already taken an even more extreme position in the Consolidated Proceeding, concluding that *even if* IPG succeeded against FIFA in the California action, it would have no bearing on their decision as to whether IPG could pursue claims for FIFA programming. (JA 20, at 24 (fn. 7)) (“If IPG were successful in maintaining and prevailing on its claim of equitable estoppel against FIFA in the federal district court action, that outcome would have no bearing...”)(JA 24).

documents on which the Ninth Circuit relied to conclude the existence of a *prima facie* case.

The CRB secondarily dismissed Multigroup Claimants' claim to the "World Cup" broadcasts on the basis that "[n]othing in the proffered documents establishes FIFA ownership of any of the programs for which [Multigroup Claimants] seeks royalty distributions. In fact, Multigroup Claimants had presented a wealth of circumstantial evidence of the uncooperative FIFA's ownership, and noted that the entire purpose of the IPG/FIFA agreement, expressly discussed in the correspondence leading to contract formation (evidence before the CRB), was for IPG to prosecute claims for the "World Cup". Multigroup Claimants also cited precedent that in CRB proceedings, the sports league, not a broadcaster of such programming, is the appropriate claimant, and FIFA was definitively the sports league. (JA 3722, at 3730, citing 1978 Cable Royalty Distribution Determination, 45 Fed. Reg. 63026, 63034-63035 (Sept. 23, 1980). Not a shred of evidence was presented by the JSC asserting any other party's ownership of the universally-known "World Cup" programming, yet the CRB found that Multigroup Claimants had failed to establish FIFA's ownership of the "World Cup" broadcasts.

Finally, the CRB held that Multigroup Claimants had failed to demonstrate that the "World Cup" broadcasts fell into the category of "sports programming". Again, the JSC produced no countervailing evidence thereof, yet the CRB found

that it had been incumbent on Multigroup Claimants to affirmatively produce evidence of broadcasts titled “Team A v. Team B”. *Claims Ruling* (JA 2558, at 2604). As here, Multigroup Claimants’ opposition brief had already alerted the CRB to its recent ruling that imposed no such requirement upon the JSC. (JA 3722, at 3731-3732).

In sum, had the CRB provided Multigroup Claimants the “presumption of validity” imputed to every other party in the proceedings, Multigroup Claimants would have logically prevailed as to its representation that FIFA owns and controls the “World Cup” broadcasts, and that such broadcasts fell within the “sports programming” category. Further, had the CRB not distorted the substance of the agreement between IPG and FIFA, whereby FIFA “assigned” IPG the right to collect retransmission royalties for FIFA-controlled programming, the issue of FIFA’s subsequent renunciation of such agreement would have had no bearing.

c. The rulings against Azteca International Corporation programming.

As reflected by the *Claims Ruling*, the JSC succeeded in having, *inter alia*, the live soccer matches appearing in Liga Mexicana (owned by claimant Azteca) removed from the sports programming category, thereby placing it into the catch-all program suppliers category.²⁶ See *Claims Ruling* (JA 2558, at 2606). The

²⁶ All Azteca programming claims were nonetheless dismissed from the proceeding. See discussion, *infra*.

primary basis of the Judges' ruling was that "[n]either the JSC nor the Judges can ascertain the nature of the Azteca [Spanish-language and Spanish-title] programming because the titles are listed in Spanish and are presented without the requisite English translation".²⁷ *Id.*

As part of its opposition to the JSC challenge, Multigroup Claimants produced the program lists compiled firsthand by Azteca and emailed to Multigroup Claimants, which identified programming according to the *only* program title ever known for such programming. The lists identified the titles that appear in *every* television listing, and in *all* data reporting such program broadcasts, which is exclusively in Spanish. Multigroup Claimants had already produced lists of the Azteca-claimed programming, demarcated according to the historically utilized claimant categories, including "sports programming". Moreover, the lists prepared by Azteca (and were before the CRB) had additionally placed each of its programs into a handful of Spanish-language categories it used internally -- Deportes (sports), Especiales and Espectaculos (specials), Entretenimiento (entertainment), Infantil (children's), Noticias (news), Novelas (soap operas). While Multigroup Claimants found translations of those categories somewhat obvious, no request for translation was ever made by either the JSC or

²⁷ Earlier in its ruling, the CRB disregarded a lengthy contract that the MPAA submitted in Spanish language, citing 37 C.F.R. § 350.4(c). *Claims Ruling* (JA 2558, at 2583). The accurate cite is to 37 C.F.R. § 350.6(c).

the CRB Judges, and were irrelevant to the categories for which Multigroup Claimants was asserting placement. Again, Multigroup Claimants had *already* produced to the parties the list of Spanish-language program titles in a spreadsheet identifying which claimant category each program belonged.

Initially, the JSC never articulated any objection to the identification of titles because they were in Spanish. That was purely an argument advanced by the CRB in its ruling. Second, and as should be obvious, the purpose for regulations requiring an English-translation is not to gratuitously require translation of titles, but make clear the meaning of documents communicating thoughts, e.g., contracts and correspondence.

As regards the issue of “sports programming” categorization, again the JSC submitted no evidence contradicting Multigroup Claimants’ assertion that certain Azteca programming belonged in the sports programming category. Again, had the CRB provided Multigroup Claimants the “presumption of validity” imputed to every other party in the proceedings, Multigroup Claimants would have logically prevailed as to its representation that Azteca owns and controls broadcasts within the “sports programming” category because literally no evidence to the contrary was presented by the JSC.

In sum, Azteca's lists were not considered for the sole reason that Azteca identified the program titles by the only title by which they had ever been identified, a Spanish-language title.

3. Challenges to Multigroup Claimants' "Program Suppliers" Claims.

a. All claims rulings are affected by the CRB's denial of the "presumption of validity" of claims.

No different than the "sports programming" claims, each and every challenge to Multigroup Claimants "program suppliers" claims was evaluated on the presumption that no valid claim exists unless Multigroup Claimants introduced into evidence (*before* knowing a denial of the "presumption of validity" was forthcoming) some undefined requisite evidence to satisfy any challenge by any adverse party.

Predictably, Multigroup Claimants' adversaries made several baseless challenges, knowing that if they succeeded in having Multigroup Claimants' "presumption of validity" withheld, there stood a chance that many of MGC's claims would be dismissed because of the heightened evidentiary requirements being placed on Multigroup Claimants. It is for this reason that 77 of the 86 pages of the *Claims Ruling* are devoted to addressing challenges to Multigroup Claimants' claims. Several challenges were made summarily, without any evidence to the contrary even being presented by Multigroup Claimants' adversary.

Nonetheless, Multigroup Claimants was obligated to respond as best as possible, in the time period allotted. Multigroup Claimants' defense was, effectively, to produce the entirety of documents produced to the adverse parties, then direct the CRB to particular bates-stamped pages demonstrating the inadequacy of the challenge. Time permitting, Multigroup Claimants involved what represented claimants it could, in order to address specific challenges of notable worth. Still, the CRB's entire analysis was premised on requiring undefined evidentiary support from Multigroup Claimants that was not required from any other participant, including documents that the CRB would not even command such parties to produce in discovery.

While Multigroup Claimants could methodically address each and every dismissed claim in the context of demonstrating how a "presumption of validity" would have changed the outcome, it would serve little purpose. The entire analysis of the CRB was tainted from the outset, for the reason that the CRB placed a heightened evidentiary burden on Multigroup Claimants without forenotice, then evaluated all evidence from the starting presumption that no valid claim existed – even in the face of nothing more than a summary contention by an adverse party bearing no countervailing evidence.

Consistent with its denial of the "presumption of validity" to Multigroup Claimants, even if a conflicting claim was not dismissed, the MPAA was

automatically awarded the royalties to the conflicting program claims. This occurred despite the fact that the overwhelming percentage of the MPAA's program claims were by "agents" of the ostensible copyright owners, not the actual copyright owners, and the overwhelming percentage of Multigroup Claimants' program claims were attributed by the MPAA to purported claimants with whom the MPAA had never even communicated.

While MGC was required to present a heightened level of documentation, the CRB refused to compel the MPAA to even produce copies of the agreements between the "agents" and the ostensible copyright owners that the agents (and, *ergo*, the MPAA) purported to represent. Consequently, unlike for MGC, the chain-of-title for any MPAA-claimed program was presumed to be valid, even if there was no evidence that the MPAA-represented agents had actually been engaged by the purported copyright owner, and without any submission of evidence verifying an entity's ownership of a claimed program. The net effect was that the MPAA's program claims, no matter how unsubstantiated, remained intact, while MGC's claims were decimated, and trumped in each instance in which a conflicting program claim existed.

b. An extreme example: the rulings against Azteca International Corporation programming.

As noted previously, Azteca is the U.S. subsidiary of TV Azteca, the owner of two of the four Mexican television networks. Wikipedia reports that it controls

“over 200,000 hours of original programming and news content.” While its Spanish-language programming is extensively broadcast in the United States, the program claims were dismissed *in their entirety*, pursuant to scarcely more than half a footnote. *Claims Ruling* (JA 2558, at 2597 (fn. 79)).

Therein, the CRB criticized the correspondence pursuant to which Azteca informed Multigroup Claimants of its program claims. According to the CRB:

“The Judges also note that MGC produced an email from AIC’s in-house counsel listing a number of program titles. See MGC Opp’n to MPAA, Ex. G. The email merely states ‘Hi Raul. Enclosed are the revised files. Please let me know if you have any questions or comments.’ *Id.* The email says nothing concerning those ‘revised files’ or the lists they contain—much less that they are programs that AIC owns or controls. The Judges find Exhibit G to be insufficient evidence of AIC’s ownership or control of the programs listed in the attachment.”

Id.

Initially, Multigroup Claimants’ agreement with Azteca for the collection of U.S. retransmission royalties was in evidence before the CRB and, *obviously*, there would be no reason for Azteca to randomly email extensive program lists (*specifically* segregated for each of 2010-2013) other than for purposes of such agreement, i.e., to make claims to 2010-2013 program royalties. (JA 3462, at 3559 (Decl. of R. Galaz), 3582 (Exhibit G)). Second, what the CRB omits is that Multigroup Claimants attached such email correspondence to a declaration attesting that the email “attach[ed] TV Azteca program claims”:

“Attached hereto as Exhibit G is a true and correct copy of an email dated April 1, 2016, from Fabiola Rivas of Azteca International Corporation, a subsidiary of TV Azteca, *attaching TV Azteca program claims.*”

Id. (emphasis added).

Again, zero evidence was presented by an adverse party that any of the listed programs did not belong to Azteca, or to any competing claimant. Zero evidence was presented by an adverse party that the program lists attached to the email were not being claimed by Azteca. Notwithstanding, in the CRB’s evidently harsh application of its denial of the “presumption of validity”, it micro-interpreted the words set forth in Azteca’s email, ignored the statement set forth in Multigroup Claimants’ declaration, all without invoking any common sense as to the evidence before it.

Such is the CRB’s application and denial of the “presumption of validity”.

4. Multigroup Claimants’ Concession to the Value of Remaining Program Claims.

Cognizant of the fact that the CRB’s denial of the “presumption of validity” eradicated the value of all Multigroup Claimants’ programming under any proposed distribution methodology, Multigroup Claimants stipulated to the figures advocated by the MPAA as the value of Multigroup Claimants’ programming. Such stipulation was expressly subject to Multigroup Claimants continued ability to appeal the claims validity and categorization determinations made by the CRB

in the *Claims Ruling*. Such stipulation was reflected in the Final Distribution Order. (JA 2702, at 2703). Therein, although Multigroup Claimants made claim for the programming of approximately 200 claimants annually, with a catalogue of 2,731 programs, it was accorded between 0.11% and 0.63% of the various cable and satellite royalties allocated to the program suppliers category.

SUMMARY OF ARGUMENT

The CRB erred by denying Multigroup Claimants the “presumption of validity” of claims afforded to all other parties. Consequently, all claims rulings – including those relating to the “sports programming” and “program suppliers” categories -- were tainted.

Specifically, the CRB erred by altogether dismissing Multigroup Claimants from the “sports programming” category, including claims for the programming of FIFA and Azteca International Corporation, based on either their Spanish-language titles, the purported failure to demonstrate that the programming was in the “sports programming” category, or purported lack of authorization. The CRB further erred by dismissing extensive programming maintained by Multigroup Claimants in the “program suppliers” category, including but not limited to claims for programming controlled by Azteca.

The CRB claims proceedings relating to the “sports programming” and “program suppliers” categories, must be remanded to proceed anew, without disparate evidentiary treatment.

ARGUMENT

A. The Standard of Review.

The CRB's determinations are reviewed under the standards set forth in the Administrative Procedure Act, and may be reversed if found to be arbitrary and capricious, contrary to law, or not based on substantial evidence. See 17 U.S.C. § 803(d)(3) (incorporating by reference 5 U.S.C. § 706).

B. The CRB erred by denying Multigroup Claimants the “Presumption of Validity” afforded to all other parties.

The CRB's indiscretions are fact based, and little more can be stated than appears in the Statement of Facts set forth above. The CRB's denial of the “presumption of validity” of claims, a presumption afforded to *all* other parties, was both “arbitrary and capricious” and “not based on substantial evidence”. Rather, it was a sanction carried over from the Consolidated Proceeding that was itself “not based on substantial evidence” (see the Addendum hereto), and was levied in the current proceeding without any plausible basis for application.

Determining whether or not an agency decision was arbitrary and capricious is necessarily a fact-based and situation-specific question. See *Troy Corp. v. Browner*, 120 F.3d 277, 284 (D.C. Cir. 1997). Nevertheless, case law makes it clear that agency decisions that are the product of “illogical” or inconsistent reasoning (see *Am. Fed'n of Gov't Emps., Local 2924 v. Fed. Labor Relations Auth.*, 470 F.3d 375, 380 (D.C. Cir. 2006)), that fail to consider an important factor

relevant to its action (see *Ctr. for Biological Diversity v. U.S. Bureau of Land Mgmt.*, 698 F.3d 1101, 1124 (9th Cir. 2012)), or that reach conclusions that contradict the underlying record (see *Tucson Herpetological Soc. v. Salazar*, 566 F.3d 870, 879 (9th Cir. 2009)) are properly reversed and remanded on the grounds that such conduct is “arbitrary or capricious”. The facts here, highlighted by the CRB’s grossly disparate treatment of the parties, dismissing claims for Multigroup Claimants’ failure to produce evidence that the CRB did not even require the JSC and MPAA to produce in discovery, clearly establish that the CRB’s adjudication of these matters were similarly arbitrary and capricious.

The facts also establish that the CRB’s decision was not based on “substantial evidence” since Multigroup Claimants produced more evidence regarding its chain-of-title and program identity than adversaries’ claims that were preserved. Under such circumstances, courts appropriately overturn agency decisions where the relevant evidence does not support the agency decision. See *Tucson Herpetological Soc., supra*, and *Assoc. of Data Processing Serv. Orgs., Inc. v. Bd. of Govs. of the Fed. Res. Sys.*, 745 F.2d 677, 684 (D.C. Cir. 1984).

Finally, it was a denial of procedural due process for the CRB to impose a heightened evidentiary bar upon Multigroup Claimants without informing Multigroup Claimants in advance that it was subject to a higher evidentiary standard. At the core of procedural due process is a party’s opportunity to lodge its

objections to government actions contemplated to be taken against them. *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950). *See also Richards v. Jefferson County*, 517 U.S. 793 (1996) (ruling may not apply where taxpayer who challenged a county's occupation tax was not informed of a prior ruling against taxpayer). Notice must be sufficient to enable the recipient to determine what is being proposed and what he must do to prevent the deprivation of his interest. *Goldberg v. Kelly*, 397 U.S. 254, 267–68 (1970).

Here, the CRB denied Multigroup Claimants of the “presumption of validity” in these proceedings without giving Multigroup Claimants prior notice of its intent to do so based upon the CRB’s ruling in a separate proceeding. As a result, Multigroup Claimants was ambushed with this ruling only after it was expected to produce evidence in response thereto. As a result, Multigroup Claimants was denied that most basic aspect of procedural due process: prior notice as to the jeopardy it faced. On this ground alone, the CRB’s dismissal of claims must be reversed.

C. All claims rulings – including those relating to the “sports programming” and “program suppliers” categories -- are tainted by the CRB’s denial of the “presumption of validity”.

The *Claims Ruling* demonstrates on its face that the dismissal of each and every Multigroup Claimants claim, and the dismissal of such claims from the “sports programming” category, was predicated on the denial of the “presumption

of validity” of claims. Such fact is amply demonstrated by rulings dismissing all claims to programming controlled by FIFA and Azteca, the latter of which had *all* program claims dismissed because the titles are Spanish-language, and lists of programming provided by Azteca explicitly in connection with this proceeding ostensibly failed to clarify that such lists were of “claimed” programming. The CRB violated a judicial edict precluding it from interpreting contractual agreements (See *National Broadcasting Company v. Copyright Royalty Tribunal*, 848 F.2d 1289 (1988)) and, even though it did, it was arbitrary and capricious for the CRB to mischaracterize agreements with underlying copyright holders as “agency agreements” and to then ignore the post-Term collection provisions contained therein.

The only means by which the CRB’s ruling can be remedied is to vacate the *Claims Ruling*, and remand the claims validity and categorization proceedings to proceed anew, applying the *same* evidentiary standards to all parties for the purposes of determining claims validity. The effective application of distribution methodologies can only be applied after the accurate program claims are identified.

CONCLUSION

For the reasons set forth above, Multigroup Claimants respectfully requests that this Court reverse the CRB’s orders of October 23, 2017 and November 30,

2018, in the manner described herein, and remand the matter to the CRB in order for proceedings thereon to be commenced.

Respectfully submitted,

Dated: August 14, 2019

_____/s/_____
Brian D. Boydston, Esq.
California State Bar No. 155614

PICK & BOYDSTON, LLP
2288 Westwood Blvd., Ste. 212
Los Angeles, California 90064
Telephone: (213)624-1996
Facsimile: (213)624-9073
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

ADDENDUM

In the Consolidated Proceeding the CRB addressed the Phase II/Distribution phase of 1999-2009 satellite and 2004-2009 cable royalties, in the sports programming, program suppliers, and devotional programming categories. Therein, the CRB ruled that any claims made by Independent Producers Group and its 200+ represented claimants were being denied the “presumption of validity” that was being imputed to all other claimants. The CRB only recently announced its final decision relating thereto.²⁸

A. The CRB’s imposition of the “presumption of validity” sanction against IPG in the Consolidated Proceeding.

Multigroup Claimants’ predecessor, IPG, fully intends to appeal the CRB’s denial of the “presumption of validity”, and as noted, IPG previously filed suit before the District Court for the D.C. Circuit challenging the CRB’s conduct, subsequently withdrawing such action without prejudice to re-file. (JA 2644). Based on values attributed by the MPAA to IPG’s claims before imposition of the sanction, the particular sanction resulted in IPG’s loss of the vast bulk of its claims in the program supplier category, worth approximately \$35,000,000. The details of the CRB’s actions in the Consolidated Proceeding are more explicitly detailed

²⁸ 84 Fed. Reg. 16038 (April 17, 2019)(JA 2714).

therein, at pages 21-35 of the *Complaint*, however require description to add context to the situation presented in the current proceeding.

In the Consolidated Proceeding, claims in seventeen (17) different royalty pools were being simultaneously considered. In the course of discovery, it was discovered that the attachment to the CRB's "official version" of IPG's 2008 satellite claim, which lists the claimant copyright owners on whose behalf IPG was making claim, was missing particular pages. Specifically, the ten-page attachment to IPG's 2008 satellite claim was missing pages 4, 5, 9 and 10, as reflected by gaps in the numbered footer. Consequently, the SDC and the MPAA sought to limit IPG's 2008 satellite claim to only those claimants appearing on the remaining pages, thereby requiring the dismissal of 42 IPG-represented claimants. The aggregate of the SDC and MPAA argument was that a claim had not been submitted for the claimants whose names appeared on pages 4, 5, 9 and 10 of the attachment. See *SDC's Written Rebuttal Statement On Claims Issues Only*, at p. 10 (JA 28, at 40), and the *MPAA's Written Rebuttal Statement Regarding Claims Issues*, at p. 37 (October 15, 2014)(JA 634, at 677).

Notwithstanding, at the hearing on the matter, IPG representative Raul Galaz testified that within IPG's files was a complete copy of IPG's submission for 2008 cable and satellite royalties. IPG produced evidence that its submission for 2008 royalties was sent by overnight mail to the CRB, and contained a cover letter

identifying the envelope's contents as *both* IPG's 2008 cable claim and 2008 satellite claim. Notably, the attachment to IPG's 2008 cable claim was *identical* in all respects to the attachment to IPG's 2008 satellite claim appearing in the same envelope. In fact, the attachments to both the cable and satellite claims contained the header "Exhibit A to IPG (TX) Claim for Cable/Satellite Royalties". IPG confirmed that even the CRB's "official version" of IPG's cable claim, which was delivered in the same envelope, contained the entire 10-page attachment. Mr. Galaz opined that at some point between the filing of IPG's 2008 satellite claim and issuance of the CRB's "official version" of such claim in September 2014, certain pages attached to IPG's 2008 satellite claim had simply been misplaced by the CRB. See IPG-P-062 from claims challenge hearing)(JA 1025).

IPG, however, acknowledged that during discovery it had produced a copy of IPG's 2008 satellite claim that was missing pages 4, 5, 9 and 10 of the attachment. Mr. Galaz's explanation for this was simple: IPG representatives periodically make trips to the U.S. Copyright Office and make copies of IPG's claims and the claims of multiple other parties; IPG had produced to the SDC and MPAA the copy of its 2008 satellite claim that it had obtained from the U.S. Copyright Office and was scanned into its computer. Following Mr. Galaz's testimony, not a single question was posed to Mr. Galaz regarding his testimony on

this matter, i.e., no questions were asked by the CRB judges, the SDC, or the MPAA. No party challenged Mr. Galaz's description of events.

To IPG's dismay, the CRB judges not only ruled that the 2008 satellite claims of the 42 claimants appearing on the missing pages of IPG's 2008 satellite claim would be dismissed, but the CRB accused Mr. Galaz of testifying untruthfully regarding the source of the document that had been produced by IPG in discovery. To wit, the CRB asserted:

“In the *ordinary course of official business*, upon receipt of claims sheets from claimants or their authorized representatives, the CRB inscribes on the first page of each *a hand-written sequential number*. The CRB inscribed the number “193” on the first page of IPG's satellite claim form. *See* Ex. 302 (IPG 2008 Satellite Claim), at 1. However, the copy of IPG's 2008 satellite claim that IPG produced in discovery (and bearing IPG Bates numbers) *did not contain that handwritten claim number*. *See* Ex. 603 at Bates No. IPG-0170. The document Mr. Galaz testified he copied from CRB files, therefore, could not have been copied from CRB files. The copy must have come from another source (most likely IPG's own records), thus supporting the conclusion that Mr. Galaz was trying to rebut with his testimony: IPG omitted the missing pages from its filing with the CRB.

Mr. Galaz did not testify truthfully when he stated that he obtained the copy of the claim with missing pages that IPG produced in discovery from the CRB records.”

(JA 1083, at 1090).

Consequently, and as another draconian sanction, the CRB ruled that all claims asserted by IPG on behalf of any party, and any program claims asserted by IPG for any of the seventeen royalty pools addressed by the proceeding, would be

denied the “presumption of validity” afforded to all other claimants. *Id.* at 7-10.

Among other matters, denying a party the “presumption of validity” dramatically shifts the burden of rights validation and, as demonstrated by the CRB’s actions, in the event that there are conflicting claims to programs, the party retaining the “presumption of validity” will be awarded the program royalties.

The CRB sanction denying IPG the “presumption of validity” was secondarily asserted based on the appearance of a single claimant, Tracee Productions”, on IPG’s filing for 1999 satellite royalties that was made in July 2000. *Id.* at 9-10. IPG had already maintained in the prior-occurring 1998-1999 cable proceeding that the appearance of “Tracee Productions” on IPG’s 1999 cable claim (filed in July 2000) was legitimate, and presented evidence that Tracee Productions was an entity legitimately organized in Los Angeles County, California.

Both in the 1998-1999 cable proceeding and the Consolidated Proceeding, the CRB refused to accept IPG’s contention because Tracee Productions had admittedly been involved in the fraudulent collection of royalties attributable to calendar years 1994-1996. Regardless, IPG contended that the issue of “Tracee Productions” was moot because in direct testimony, and in literally scores of claims and pleadings filed since July 2000, i.e., over the prior fifteen years, IPG had never once sought the collection of royalties on behalf of Tracee Productions,

and had expressly represented to the CRB in sworn testimony that it made no claim on behalf of Tracee Productions. Despite IPG's frequent and unqualified representations since July 2000 that it does not make claim for and does not represent Tracee Productions, the CRB maintained that IPG *should* have nevertheless filed an amendment to its 1999 satellite claim (from July 2000) in order to remove Tracee Productions from such filing, whereas IPG maintained that such form-over-substance amendment was pointless in light of the multiple subsequent filings relating to 1999 satellite royalties in which IPG had omitted any assertion of a claim on behalf of Tracee Productions, and IPG had already expressly testified that no claim was being made on Tracee Productions' behalf. No explanation was provided why the appearance of Tracee Productions' on IPG's 1999 satellite claim should affect any of the other twenty-seven (27) cable and satellite claims filed by IPG from 2000 through 2009 that did not identify Tracee Productions as a IPG-represented claimant.

IPG immediately filed a motion for reconsideration of the CRB's ruling. Therein, IPG noted that assertion of the CRB's "ordinary course of official business" had never been raised prior to the proceeding, or even during the proceeding, so IPG had no reason or opportunity to address the validity of such assertion. More significantly, however, review of documents already in IPG's possession established that the predicate of the CRB's accusation of perjury, i.e.,

that “in the ordinary course of official business, upon receipt of claims sheets from claimants or their authorized representatives, the CRB inscribes on the first page of each a hand-written sequential number” – *was demonstrably inaccurate*. See *IPG [First] Motion for Modification of the March 13, 2015 Order* (March 17, 2015)(JA 1290); *IPG Reply in support of [First] Motion for Modification of the March 13, 2015 Order* (March 31, 2015)(JA 1390).

IPG proved in its motion for reconsideration that the CRB had not followed the asserted “ordinary course of business” either for 2008 royalty filings, or for multiple other years. In fact, on *multiple* prior occasions the CRB had *lost entire claims* filed by IPG, and had *lost entire claims* filed by other parties (including MPAA- and SDC-represented claimants), only for the claims to be subsequently accepted and recognized when evidence of the claims had been presented. (JA 1290, at 1300-1301). Notably, the CRB had previously lost IPG’s 2004 satellite claim #327 and IPG’s 2011 satellite claim. Therefore, it obviously was not inconceivable over the course of six years for the CRB to have misplaced a handful of pages from a single claim filed by IPG.

IPG’s review of the CRB’s ostensible “ordinary course of business in the receipt of claims” began with a comparison of IPG claims that had been obtained from the CRB and the CRB’s “official version” of those claims. IPG then broadened its search by traveling to Washington, D.C. to review all claims in the

possession of the CRB, but was necessarily limited to the extent that it had no basis for comparing claims of third parties in the possession of the CRB with copies received by such parties from the CRB. Relevant to the foregoing is that IPG was not afforded access to the CRB files until March 27, 2015, i.e., following IPG's filing of its motion for reconsideration. After IPG's review of the CRB files, even more evidence disproving the CRB's predicate for its finding was discovered, and was thereafter first detailed in IPG's reply brief in support of its motion for reconsideration. (JA 1390).

Specifically, IPG was able to confirm the following:

- In the 2008 satellite filings, of the 237 claims filed, a hand-written sequential number only appeared on claim numbers 176, 193 (IPG claim), 194, and 220-237. All other claims contained a bate-stamp number. No explanation could be provided why IPG's claim was marked differently. *Id.* at Decl. of R. Galaz (JA 1416).
- In the 2008 satellite filings, of the few claims that contained a hand-written number, the number appeared in original ink. IPG's claim – *and only IPG's claim* – contained a hand-written number that was a photocopy, and further appeared on paper that was significantly lighter than all other paper in the files, i.e., had not been aged as long. Such facts reflect a second-generation copy and, thus, no fewer than three versions of IPG's 2008 satellite claim in the possession of the CRB. *Id.* at Decl. of R. Galaz (JA 1416).
- Handwritten numbers are often placed on claims by the CRB *long subsequent* to the CRB's receipt thereof, and only *after* such claims are offered to the public for photocopying. IPG produced several copies of IPG's own claims in which versions copied at the Copyright Office have no hand-written or bate-stamp number, but nonetheless reflect other CRB notations, only for a number to later appear in the CRB "official version" thereof. *Cf.* IPG's 2004 cable and satellite

claims (JA 1290, at 1356, 1362, 1368, 1374 (Exhibits 7, 9, 11, 13)) *with* CRB “official version” of IPG’s 2004 cable and satellite claims (JA 1290, at 1359, 1365, 1371, 1377 (Exhibits 8, 10, 12, 14)).

- CRB personnel simultaneously maintain multiple versions of the identical claim. IPG demonstrated that it has multiple versions of the same IPG claim, all of which were received from the CRB and reflect extensive CRB personnel notations, but which CRB notations are *different and differently placed* than the “official” version. See, e.g., IPG’s 2005 cable claim. *Cf.* IPG’s 2005 cable claim (JA 1290, at 1380 (Exhibit 15)) *with* CRB “official version” of IPG’s 2005 cable claim (JA 1290, at 1383 (Exhibit 16)).
- In the Consolidated Proceeding, the CRB provided different “official versions” of claims. On September 19, 2014, the CRB provided the MPAA an official version of IPG’s 2004 cable claim. Such version differed significantly from a version previously obtained by IPG from the CRB, and contained extensive handwritten markings. Then on November 13, 2014, the CRB provided IPG by email an entirely different version of IPG’s 2004 cable claim unlike that previously obtained by IPG, and which contained none of the extensive markings appearing on the “official version” that was produced to the MPAA eight weeks earlier. (JA 1290, *Cf.* 1380, 1383, 1386 (*Cf.* Exhibits 15, 16, and 17)).
- Issues abound regarding the integrity of maintenance of the claims provided by the CRB to the public for photocopying. Upon request for access to the claims, boxes containing the claims are sent to the Copyright Office Licensing Division reading room. No CRB personnel are present for oversight, yet the files provided for copying have historically included claims stamped “original”, and appear to be the original claims. The CRB does not ascertain whether the “original” claims it provides for public review are returned in the same state as were provided. (JA 1390, 1415-1416 (IPG reply), Decl. of R. Galaz.
- CRB personnel sometimes inscribe a “hand-written sequential number” on claims, and sometimes utilize a date-stamp number on claims, even for filings to the same royalty pool. Among numerous examples, the 2008 satellite claims available for review at the

Copyright Office reflected both hand-written and bate-stamp numbers, but not both. The CRB's "official version" of IPG's 2008 satellite claim had a hand-written number, while IPG's 2008 cable claim had a bate-stamp number. (JA 1290, 1293, 1324 (Exhibit 4)).

- CRB personnel sometimes fail to *either* inscribe a "hand-written sequential number" or to utilize a bate-stamp number on claims prior to such claims being made available to the public for review and photocopying. (JA 1290, 1293, 1356, 1362 (Exhibits 7 and 9)).

IPG was a veteran of the royalty distribution proceedings, having participated in them for almost two decades. All veterans to the distribution proceedings are aware of the strict consequences for a claimant's failure to comply with the filing requirements for July claims. *See Universal City Studios LLP v. Peters* 402 F.3d 1238, 1241, (D.C. Cir. 2005). Because of such consequences, IPG had been extraordinarily careful regarding its July claims filings, yet such fact has *still* not precluded prior demonstrable errors on the part of the CRB, which apparently include multiple instances in which a submitted claim has been lost or temporarily misplaced.

Given the wealth of evidence demonstrating the inaccuracy of the CRB's predicate for alleging that Raul Galaz testified falsely, IPG posed the issue in the following manner: which possibility is more likely: (i) IPG filed a satellite claim with missing exhibit pages when its cable claim arrived at the CRB in the *same* envelope, with the *identical* exhibit containing all of the pages 1-10, or (ii) during the intake of hundreds of claims by the CRB proximate to July 2009, or during the

course of several years thereafter, or during the photocopying of IPG's 2008 satellite claim by CRB personnel and the public, a portion of IPG's exhibit was mislaid.

IPG had in its possession a copy of the entire contents of the package that was delivered to the CRB containing IPG's 2008 cable and satellite claims, and such document was admitted into evidence at the preliminary hearing as Exhibit IPG-P-062 (JA 1025). The exhibit contained the cover letter that accompanied IPG's 2008 cable and satellite claims, and the entirety of the exhibits attached to such claims.

On April 9, 2015, the CRB denied, in pertinent part, IPG's motion for reconsideration. See *Order on IPG Motions for Modification* (April 9, 2015)(JA 1418). The CRB rejected IPG's arguments, noting that *some* form of numbering of claims always occurs during their intake, whether hand-written or bate-stamped, and so the presence of hand-written numbering versus bate-stamp numbering was insignificant, regardless of the possible reasons for the discrepancy, and regardless that only a handful of the 2008 satellite claims were markedly different in appearance.

In distinguishing IPG's 2004 claims obtained from the CRB which reflected ***neither*** a hand-written or bate-stamp number, in a footnote to its denial of IPG's motion the CRB asserted that claims "prior to 2005" were filed with the Copyright

Office, and not the CRB, and are therefore “irrelevant”. *Id.* at fn. 1. The CRB’s assertion was based on its evidently false contention that IPG’s observations relate to records pre-dating the 2004 creation of the CRB, a position reiterated in the CRB’s denial of IPG’s motion for reconsideration. *Id.* at p. 3. However, IPG’s 2004 claims were filed in July 2005 *with the CRB*, and IPG’s cover letter containing such claims was addressed to the “Copyright Royalty Board, P.O. Box 70977, Southwest Station, Washington, D.C. 20024”, *no differently than any and all claims filed with the CRB through the present*. See Exhibit IPG-P-062 from claims challenge hearing (JA 1025). As evident error on its part, the CRB misrepresented that 2004 claims were not filed with the CRB. The CRB also ignored that, regardless of whether the claims intake procedure was technically overseen by the CRB versus its predecessor, the *identical* individuals as were staffed to man the CRB’s intake of claims, manned the intake of claims by the CRB’s predecessor.

Notably, the CRB’s denial of IPG’s motion for reconsideration altogether failed to address the fact that the CRB’s staff, during the CRB’s tenure, have *lost entire claims* filed by IPG, and have *lost entire claims* filed by other parties, only for the claims to be subsequently accepted and recognized when evidence of the claims has been presented to the CRB.

Interestingly, two developments relating to the CRB's "presumption of validity" sanction should be noted. First, following such sanction, the CRB *sua sponte* proposed a regulation that was expressly premised on the (alleged) false testimony by IPG's representative, and openly directed at IPG in order to preclude IPG from further participation in the royalty proceedings. Knowing that IPG's witness had previously been convicted of a felony, the proposed rule precluded any individual (or any claimant even *employing* such individual) from participating in the royalty proceedings if the individual had previously been convicted of a "felony or misdemeanor involving moral turpitude". 82 Fed. Reg. 18601 (Apr. 20, 2017). Following public comments noting the illegality of the proposed rule, the CRB sat silent as to whether it would invoke the proposed regulation.

Second, following the filing of IPG's suit in District Court (see above), the Chief Judge of the CRB communicated her challenges to IPG's position to governmental attorneys, *then secretly provided a "bcc:" of such email only to IPG's adversaries, the MPAA and SDC*. Realizing the extraordinary impropriety of such communication, apparently intended to be kept private even from the CRB's own governmental attorneys, counsel for the SDC (but not MPAA) reported the impropriety to IPG.

Unfortunately, such actions reflect the same "unexplained vengeance" as was demonstrated by CRB predecessors against other parties. *Christian*

Broadcasting Network v. Copyright Royalty Tribunal, 720 F.2d 1295 (D.C. Cir., 1983).

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of August, 2019, I electronically filed the foregoing brief with the Clerk of Court for the United States Court of Appeals for the District of Columbia Circuit by using the appellate CM/ECF system. I further certify that I will cause eight paper copies of this brief to be filed with the Court within two business days.

The participants in the case are registered CM/ECF users and service will be accomplished by the appellate CM/ECF system.

_____/s/_____
Brian D. Boydston

CERTIFICATE OF COMPLIANCE

1. This brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B) because:

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Dated: August 14, 2019

_____/s/_____
Brian D. Boydston, Esq.
California State Bar No. 155614

PICK & BOYDSTON, LLP
2288 Westwood Blvd., Ste. 212
Los Angeles, California 90064
Telephone: (213)624-1996
Facsimile: (213)624-9073
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

EXHIBIT 4

[ORAL ARGUMENT NOT YET SCHEDULED]**IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT**

Multigroup Claimants

Appellant,

v.

The Copyright Royalty Board and
Librarian of Congress

Appellees.

Case No. 18-1338

Amazing Facts, et al.Intervenors

**APPEAL OF MULTIGROUP CLAIMANTS FROM RULINGS OF THE
COPYRIGHT ROYALTY BOARD AND LIBRARIAN OF CONGRESS****APPELLANT’S FINAL REPLY BRIEF**

Brian D. Boydston, Esq.
 Pick & Boydston, LLP
 2288 Westwood Blvd., Ste. 212
 Los Angeles, CA 90064

(424) 293-0113
brianb@ix.netcom.com

Counsel for Multigroup Claimants

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SUMMARY OF ARGUMENT

In an attempt to challenge this Court's jurisdiction, the CRB disregards the plain meaning of its own rulings, and a prior ruling of this Court, while the MPAA openly reneges on its stipulation to allow appeal of the *Claims Ruling*.

In its attempt to defend its denial of the "presumption of validity", the CRB and Intervenors simply identify the CRB's ostensible bases for such ruling, yet fail to identify facts to support such bases, or altogether fail to address the majority of MGC's arguments as to the unreasonableness of such bases.

The disparate treatment afforded to MGC -- during discovery, during the presentation of evidence, and in the ultimate rulings -- remains largely unchallenged, with the CRB continuing to ignore MGC's revelation of circumstances in which even egregious acts by MGC's adversaries were discovered, without consequence. In defense of its acts, the CRB reverses a position previously taken before this Court, asserts that rulings occurring fourteen months *afterward* rationalize its discovery rulings, and "re-tweets" its prior misstatement that MGC had not defended a prior challenge to Azteca. Without substantive explanation, the CRB re-asserts that Azteca's Spanish-language program titles needed to be translated to English in order to qualify for royalties.

Finally, the CRB and Intervenors altogether fail to address disturbing developments by the CRB judges occurring during the course of the proceedings.

ARGUMENT

A. THE APPEALS COURT RETAINS JURISDICTION TO REVIEW THE CRB'S RULINGS.

The incredulous position taken by the CRB (and then intervenors MPAA, and JSC) is that Multigroup Claimants (“MGC”) has already stipulated (without qualification) to the percentage distributions in the program suppliers category, and conceded to its denial of claims in the sports programming category, thereby denying this Court of jurisdiction to hear this appeal. Nothing is farther from the truth.

As described in MGC’s moving brief, MGC stipulated to percentage distributions in the program suppliers category, but *expressly stipulated* with the MPAA its right to appeal the CRB’s *Claims Ruling*, as described below. No stipulated percentages exist for the sports programming category.

Noted in MGC’s moving brief is that the CRB’s proceedings have developed into a two-stage process. The first stage involves addressing challenges to the validity of claims, which results in a claims ruling which only then allows for the comprehensive identification of valid claimants and programs. The second stage of the process involves addressing the application of “distribution methodologies” to the claimants and programming that survive the claims ruling.¹

¹ No statutory or regulatory basis requires the CRB to bifurcate its process into two stages, but the CRB does so in order to avoid the unnecessary complexity of

The entirety of MGC's appeal surrounds the first stage of the process, i.e., the CRB's *Claims Ruling*, whereby the CRB dismissed all of MGC's claims within the sports programming category, and the vast majority of claims within the program suppliers category. As delineated in MGC's moving brief, this was accomplished by denying MGC and its 200 represented claimants (with a catalogue of 2,731 programs) the "presumption of validity" afforded to all other parties.

1. Multigroup Claimants and the MPAA expressly stipulated that Multigroup Claimants could appeal the CRB's *Claims Ruling* with regard to Program Supplier claims, and the CRB conditioned its final determination on such fact.

Faced with the CRB's *Claims Ruling*, the second stage of the proceedings became a near-moot issue. No matter which distribution methodology was adopted, MGC's "program suppliers" claims were decimated. Consequently, MGC and the MPAA entered into a stipulation that there was no *continuing* controversy as to the percentage allocations that would apply in the program suppliers category *if* the CRB *Claims Ruling* remained in place.²

applying competing distribution methodologies to an unlimited number of claims ruling possibilities.

² The CRB repeatedly mischaracterizes the MGC/MPAA stipulation as a "settlement agreement", even though it lacks any of the boilerplate characteristics of a settlement agreement.

This caveat was made extraordinarily clear, as the short stipulation submitted by MGC and the MPAA stated that the stipulation was:

“without prejudice to the parties’ right to appeal the Judges’ interlocutory ruling in this consolidated proceeding with regard to both cable and satellite claims issues.” (JA 2693).

In turn, the proposed order submitted to the CRB by MGC and the MPAA reflected the identical language, whereby the following language was proposed:

“The Judges **FURTHER ORDER** that this final distribution determination is without prejudice to the parties’ right to appeal the Judges’ interlocutory ruling in this consolidated proceeding with regard to both cable and satellite claims issues.”

(JA 2697) (emphasis in original).

The CRB adopted this language in its entirety, both within its October 1, 2018 order issued in the proceeding,³ and in the “final determination” issued on November 30, 2018 and published at 83 Fed. Reg. 61683, at 61684 (Nov. 30, 2018). (JA 2702, at 2703). Nothing could be clearer.

Notwithstanding, the CRB now contends that there was no significance to either the stipulated language or its subsequent orders. The basis of the CRB’s position is perplexing. Confusingly, while the CRB initially argues that this Court

³ JA 2700, at 2701, *Final Determination Regarding Distribution of Cable and Satellite Royalties in Program Suppliers Category* (Oct. 1, 2018).

has no jurisdiction to entertain an appeal of this proceeding, at a later point the CRB brief indicates that MGC's agreement with the MPAA will not preclude MGC's challenge to the CRB's interlocutory *Claims Ruling*:

“[D]ismissing the appeal for lack of jurisdiction would not render inoperative the parties' agreement that Multigroup Claimants would still have an opportunity to appeal the interlocutory claims ruling.”

CRB Br. at 27. *Where* challenge of the CRB's *Claims Ruling* would occur is not clearly articulated by the CRB, however the CRB and JSC suggest that the proper forum would be before this Court as part of the appeal of an altogether different proceeding with which MGC was not even a party. Specifically, the CRB bizarrely suggests that MGC's appeal of its denial of Distribution proceeding royalties (fka Phase II royalties) could be brought as part of an appeal relating to Allocation proceeding royalties (fka Phase I royalties),⁴ even though MGC was not a participant in such proceeding and had been affirmatively dismissed from such “Allocation” phase proceedings for 2010-2013 cable royalties.⁵ In fact, the

⁴ MGC's moving brief already explained: “Unique from prior retransmission royalty proceedings, the CRB Judges departed from having separate docket numbers for the Phase I and Phase II portions of the 2010-2013 cable proceedings. While the demarcation continued, such terminology was replaced by reference to the ‘Allocation’ and ‘Distribution’ portions of a single proceeding, with a single docket number.” MGC Br. at 13 (citations omitted).

⁵ JA 2554, *Order Granting In Part Allocation Phase Parties' Motion to Dismiss Multigroup Claimants and Denying Multigroup Claimants' Motion for Sanctions Against Allocation Phase Parties* (Aug. 11, 2017, reissued Dec. 15, 2017). Because the CRB maintained that Allocation and Distribution proceedings were

Allocation phase of 2010-2013 *satellite* royalties is only now occurring, yet the CRB states that an appeal of that yet-to-be-completed proceeding is MGC's only option, and then limited to satellite royalties. CRB Br. at 28.

Notably, the MPAA takes a different tack. According to it, the language set forth in the MGC/MPAA stipulation and the CRB's subsequent orders allows MGC to appeal the claims rulings in all categories – *except* the program suppliers category. Such self-serving interpretation neglects several compelling facts.

First, *nothing* in the language of the MGC/MPAA stipulation articulates that MGC's right to appeal the CRB's interlocutory *Claims Ruling* excludes appeal of the "program supplier" claims. This is purely a fabrication of the MPAA.

Second, the MGC/MPAA stipulation could *only* address "program supplier" claims (rather than exclude such category), as the MPAA had no interest or authority regarding any other program category. That is, no reason exists for MGC to enter into a stipulation with the MPAA relating to a category other than the program supplier category, to which all of the MPAA's claims are confined, as a stipulation regarding any other category would have no effect. The entire subject matter of the MGC/MPAA stipulation can *only* be "program supplier" claims.

part of the "same" docket number, MGC propounded discovery upon Allocation participants, even though only participating in the Distribution proceedings. The CRB ruled that MGC was not allowed to do so, and clarified that while MGC is dismissed from the Allocation phase, MGC remains a participant in the Distribution phase. *Id.* at 2556.

Third, if MGC's intention was to unqualifiedly accept the MPAA's argued distribution percentages, as the MPAA contends, MGC had no reason to even enter into any "stipulation" relating thereto. Rather, MGC could have unilaterally accepted such percentages by filing a *Notice of Consent to Proposed Percentages*, as has been commonplace in the distribution proceedings.⁶

The sole and evident purpose of the MGC/MPAA stipulation was to alert the CRB that no reason existed to proceed with the second stage of the proceedings (addressing distribution methodologies) given the effect of the *Claims Ruling* issued as part of the first stage of the proceedings, but preserve MGC's ability to appeal the *Claims Ruling* in the program supplier category.

However, the CRB additionally rely on a prior appeal involving IPG for the proposition that "this Court does not have jurisdiction over an appeal of an order by the Judges that merely implements an agreement by the parties." *Independent Producers Group v. Librarian of Congress*, 759 F.3d 100 (D.C. Cir. 2014). That case involved significantly distinguishable factual circumstances, whereby IPG challenged that a "settlement agreement" ostensibly entered into between IPG and the other appellants was invalid, as it had been entered into with an individual

⁶ In fact, MGC submitted precisely such document in connection with its share of devotional programming royalties in this proceeding. See JA 2687, *Multigroup Claimants' Notice of Consent to 2010-2013 Cable and Satellite Shares Proposed by Settling Devotional Claimants, and Motion for Entry of Distribution Order* (July 11, 2018).

falsely reporting to represent IPG, a fact known by the adverse appellants at the time the settlements were entered into. Nevertheless, to state the obvious, in this instance the CRB attempts to *disregard* the MGC/MPAA stipulation that the interlocutory *Claims Ruling* may still be appealed, and the plain language of its *own orders* in response thereto.

Consequently, the CRB's argument reflects nothing more than an indefensible attempt for the CRB to disregard the plain meaning of its own rulings, and for the MPAA to openly renege on its agreement with MGC regarding the program supplier category. To disregard the plain meaning of the MGC/MPAA stipulation and the CRB's resulting orders would render such language in *four* pleadings and orders meaningless. At all junctures, MGC expressly retained its continued ability to address the CRB's interlocutory *Claims Ruling*, the MPAA agreed to this continued ability, and the CRB acknowledged this continued ability within both of its issued orders. (JA 2700 and 2702).

2. Multigroup Claimants' Ability to Challenge the CRB's *Claims Ruling* with regard to Sports Category claims was never limited. The CRB cites precedent from this Court that explicitly affirms jurisdiction.

No comparable stipulation exists regarding the applicable percentages to be applied in the sports programming category. All of MGC's sports programming claims were dismissed in the initial stage of proceedings. Given this fact, literally

no argument exists to encumber MGC's ability to challenge the CRB's *Claims Ruling* regarding sports programming claims.

As best as MGC can understand, the CRB argues that because its *Claims Ruling* dismissed *all* of MGC's sports programming claims and obviated the need for the second stage of the process, i.e., application of which distribution methodology should apply to the surviving claims, there is no "final determination" that would allow MGC to challenge the CRB's *Claims Ruling*. That is, the CRB effectively argues that its *Claims Ruling* for the sports programming category is beyond the review of this Court.

This is the identical argument made by the CRB and rejected by this Court in *Independent Producers Group v. Librarian of Congress*, 792 F.3d 132 (D.C. Cir. 2015). Therein, this Court squarely addressed the last time that the CRB made its "no jurisdiction" argument under such circumstances. In that case, the CRB identically contended that the dismissal of all of Independent Producer Group's ("IPG") sports programming claims in the first stage of proceedings, and consequent lack of necessity to address such claims as part of the second stage of proceedings, rendered such rulings immune from review by this Court. In response thereto, this Court stated the following:

"We conclude that the [claims ruling] orders are subject to judicial review as part of the Board's final determination. The Board issued its orders during an active distribution proceeding under its authority to issue "necessary procedural or evidentiary rulings" at any stage of

the distribution proceeding. Id. § 801(c). Such interlocutory orders in an agency proceeding are normally reviewable at the end of the proceeding. [citations omitted]. The parties point to nothing in the Copyright Act that suggests that the Board's interlocutory orders are subject to a different rule. If we were to conclude otherwise, we would frustrate the statutory scheme for judicial review of royalty fee distribution proceedings. The Board would be able to insulate hotly contested decisions from judicial review simply by fast tracking those decisions and excluding them from its published determination.

We have jurisdiction to review the merits of IPG's claims."

792 F.3d at 138.

Consequently, it is abundantly clear from the foregoing precedent, that MGC's claims in the sports programming category are subject to review by this Court, and that the arguments of the CRB and JSC fail.

B. THE CRB'S ATTRIBUTED REASONING FOR DENYING THE PRESUMPTION OF VALIDITY VACILLATES BETWEEN EXPLANATIONS.

Addressing the CRB's denial of a "presumption of validity", the CRB's opposition brief first recites issues of law with which no party disagrees in this proceeding, i.e., that it is within the authority of the CRB to allow and deny a "presumption of validity". That has never been at issue. Nonetheless, the CRB then provides conflicting bases for the CRB's ruling denying MGC the "presumption of validity". CRB Br. at 30-31.

1. The First Basis for Sanction.

According to the CRB, two bases existed for the sanction, the first being that IPG changed its name to “Multigroup Claimants” *in part* to avoid past rulings that had denied IPG a presumption of validity”. The qualifying phrase “in part” is critical because the CRB could not deny the irrefutable fact that MGC had produced the identical documentation in discovery that IPG would have produced in the absence of the “additional layer of agency” created from the IPG/MGC transfer. Still, glaringly absent in both the *Claims Ruling* and the CRB brief is exactly *what actions* MGC ostensibly took to avoid past rulings. None are identified, *anywhere*, and the sum total of the CRB’s ruling is contained in this excerpt:

“While MGC argues persuasively that IPG did not transfer its representation to MGC to avoid producing evidence of what it describes as “chain of title”, MGC never states what the purpose of this transaction was. MGC’s “separate legal entity argument, however, strongly suggests that MGC exists, at least in part, to avoid the evidentiary burden that the Judges have placed on IPG in past proceedings by denying IPG claims a presumption of validity.”

Claims Ruling (JA 2558, at 2567).

MGC openly produced documents substantiating its transfer from IPG. Consequently, it appears as though the *entirety* of the CRB’s basis for its sanction was MGC’s failure to “state the purpose” of the transaction – an inquiry never even made – that shouldn’t have had any relevance since MGC responded no

differently than it would have in the absence of the transaction. Alternatively, the only reasonable interpretation of the language is that the CRB intended to automatically carry over its sanction against IPG from the Consolidated Proceeding, into *this* proceeding, without forewarning and without due process. As recited in MGC's moving brief, no basis in law exists to perpetually impose such a sanction, and the CRB never previously indicated its sanction would be perpetually imposed. Consequently, IPG never even had reason to engage in the intra-family transfer to "avoid" a heightened evidentiary burden, because none could be presumed to be imposed.

The CRB all but admits that it denied MGC the presumption of validity solely because it was denied to IPG in the Consolidated Proceeding.⁷ However, the ambiguously asserted "conduct" of IPG that the CRB previously found warranted sanction against MGC – the (allegedly) false testimony regarding the contents of a document -- was not present in the current proceeding and, more significantly was itself demonstrably fabricated by the CRB and heavily challenged by IPG in motions for reconsideration (and remains an issue pending before this Court in another appeal). See MGC Br. Addendum.

⁷ See CRB Br. at 32-33: "The Judges did not err by refusing to ignore that the new entity is run by the same individuals who ran a prior entity that had demonstrated a consistent pattern of conduct justifying the withholding of an evidentiary presumption of claim validity."

Nevertheless, again running to the “extreme deference” standard, the CRB assert that its denial was warranted because the CRB “warned” IPG not to attempt to “evade the effect of its prior claims by transferring IPG’s claims” – even though the CRB’s own ruling fails to explain *how* MGC/IPG attempted to do so. CRB Br. at 34. The CRB’s reasoning is simply perplexing.

In fact, contrary to its own words in the *Claims Ruling*, the CRB *now* asserts that MGC attempted to “take advantage of the additional layer of agency” “merely by changing its name”. CRB Br. at 34. To support this new argument, the CRB *falsely asserts* that MGC had argued that because MGC was a different legal entity than IPG, no rulings relating to IPG affected MGC. *Id.* MGC made no such argument, and the closest reference MGC can divine is MGC’s response to the MPAA’s mischaracterization that it was a “shell” of IPG, clarifying that it was a different legal entity altogether. (JA 3462, at 3467). Nowhere, however, does MGC assert that such fact did not subject MGC to the same prior rulings as related to IPG’s claims.

Finally, the CRB vacillates in its reasoning. On one hand it insists that the denial of the presumption of validity in the prior Consolidated Proceeding has no relevance herein and the merits of such ruling should not even be considered because it relates to a different proceeding (CRB Br. at 34-35), but simultaneously argues that the CRB was *entitled* to and *did* consider those past violations (CRB

Br. at 32-34). As demonstrated, however, the CRB did more than just “consider” its prior denial of the presumption of validity, but rather used it as the very basis to carry over such sanction from the Consolidated Proceeding.

2. The Second Basis for Sanction.

The second ostensible basis for levying the sanction on MGC was that IPG had submitted “unauthorized” claims that were later assigned to MGC. MGC addresses these allegations in detail at pages 30-31 of its moving brief. Therein, MGC explains that the identified transgressions were based, *inter alia*, on the CRB’s unauthorized interpretation of IPG’s agreements – expressly prohibited by this Court’s precedent⁸ – and then, despite doing so, the CRB’s bizarre, inexplicable refusal to acknowledge the plain reading of IPG’s agreements granting a post-contractual term collection right – which validated the “July claims” filed by IPG in years prior to which the CRB took issue.

The CRB mantra noted in MGC’s moving brief – “termination means termination means termination – is but *again* repeated in its opposition brief, wherein the CRB restates its *Claims Ruling* verbiage that “the Judges will honor a claimant’s expressed desire not to be represented by [a] putative claims representative” (CRB Br. at 36). Such ruling, then and now, altogether misses the

⁸ *National Broadcasting Company v. Copyright Royalty Tribunal*, 848 F.2d 1289 (1988).

point that MGC's represented claimants had *not* expressed such desire by *merely* providing a "notice of termination". Rather, under IPG's agreements such act only gives notice that the "Term" of the agreement will conclude, but not the post-Term obligations. For almost all of the nine "transgressions", the claimant did not instruct WSG to "immediately" stop prosecuting all filed claims, and those in which they did (in violation of their contract) MGC was not pursuing those claimant's claims or (in the case of FIFA) was the subject of a federal lawsuit. Despite such transparency, the CRB nonetheless imposed its indefensible contractual interpretation despite no evidence that any MGC-represented claimant wanted IPG to withdraw its prosecution of royalties for prior years.⁹

Nonetheless, *even if* the foregoing was not already sufficient to demonstrate that IPG's prior filings were contractually defensible (and it is), of the nine transgressions (out of hundreds of IPG-asserted claims)¹⁰, five were not being pursued by MGC, one was the subject of open litigation reported to the CRB (the FIFA case), and the remaining three were terminated agreements for which IPG's

⁹ According to the CRB, if a represented claimant (most of which have been represented almost two decades) provides a notice of termination (of the "Term"), IPG must immediately and automatically cease prosecuting all claims for its programming, some of which go back to 1999 and are still being prosecuted, *even if* the claimant has not directed WSG to do so. Indeed, if IPG had done what the CRB asserts IPG was obligated to do, it could have been sued for *failing* to comply with its post-contractual term obligations.

¹⁰ MGC represented approximately 200 claimants for each of eight royalty pools for 2010-2013, e.g., 1,600 separate claims.

clients had not denied the existence or effect of IPG's post-contractual term collection right. Finally, because the *only* ruling of the CRB that gave warning of the CRB's venture into its unauthorized interpretation of IPG's contract terms occurred in March 2015, which only then affirmatively disregarded IPG's post-contractual term collection right, IPG had no reason to suspect that the CRB would consider such filings "unauthorized" when such July filings were made in the years prior. MGC's argument regarding this timing issue is conveniently disregarded by the CRB brief.

As its throwaway argument, the CRB contends that after receiving any notice of termination, it was incumbent on MGC to go back and have IPG amend its multiple "July claim" filings to remove references to any claimant that had terminated their agreement with IPG.¹¹ Such position however, ignores that the CRB has multiple "forfeiture" events, wherein a claimant's claims are forfeited if not identified in a participant's subsequent filings. In this case, despite the fact that five of the nine "transgressions" were claimants that MGC had *not* listed on its

¹¹ For example, if an IPG-represented claimant from 1999-present provided a notice of termination today then, disregarding the post-contractual term collection provision, the CRB contends IPG was obligated to file an amended version of each of the cable and satellite filings from 1999-present (40 "July claim" filings), removing that one claimant's name. Presumably, such amended filings would be required *each* time that *any* one of IPG's 200 represented claimants forwarded a notice of termination, regardless of the validity of such "July claims" filings when made.

“petition to participate” filings, and whose program claims were already forfeited and not being prosecuted by MGC, the CRB nonetheless rationalized its claimed “transgressions” on IPG’s failure to go back and amend its “July claim” filings. Such form-over-substance explanation is, but again, a ridiculously poor rationalization for the CRB’s denial of the presumption of validity.

Each of the foregoing points were raised in MGC’s oppositions to motions to dismiss MGC’s claims (see JA 3462, at 3473, 3511, 3540), however the CRB nonetheless ruled that the nine “transgressions” were sufficient to lose faith in the other 1,591 (approximate) filings such as to sanction MGC with a denial of the presumption of validity for *all* claims and for *all* filings. The ruling is simply indefensible.

Again, the MPAA takes a different tack. According to the MPAA, MGC was only denied the presumption of validity with regard to claimants and programs for which the MPAA produced countervailing evidence specific to such claimant or program. Interv. Br. at 11. Such distortion of the *Claims Ruling* ignores the CRB’s clear statement that the presumption of validity was being denied for *all* MGC claimants and programs and, of course, if such were the ruling, it would have obviated (i) the CRB’s discussion regarding the alleged purpose of the IPG/MGC transfer, and (ii) any discussion of five claimants for which MGC was not even prosecuting a claim.

The two bases cited for the CRB's denial of the presumption of validity affected each and every one of the approximately 200 MGC-represented claimants and 2,731 programs, not just those for which the MPAA ostensibly rendered countervailing evidence.¹² Hard-pressed to deny such fact, the MPAA then restates these CRB contentions that would be otherwise irrelevant if *specific* countervailing evidence existed. Interv. Br. at 13-15.

3. The significance of the CRB's recent ruling in the Consolidated Proceeding.

While the CRB urges that its rulings in the Consolidated Proceeding should not be considered here, yet tacitly admits that the sanction levied on IPG in the Consolidated Proceeding is the primary basis on which the CRB levied a sanction on MGC in *this* proceeding, a recent ruling in the Consolidated Proceeding has telling significance.

On March 12, 2019, the CRB issued its *Order Denying MPAA and SDC Motions for Sanctions* in the Consolidated Proceeding. (JA 2704). While addressing *additional* sanctions sought by the MPAA and SDC in the Consolidated Proceeding, the CRB stated the following:

¹² As one of several examples, not one piece of evidence was submitted to affirmatively demonstrate that Azteca did not own the several programs listed by the MPAA on its appendix. Nonetheless, a denial of the presumption of validity for those program claims was imposed. See *infra*.

“The Judges are not persuaded that their foregoing prior actions – meted out on a case-by-case basis – warrant their exercise of discretion through a dismissal of IPG in this instance. The Judges have already imposed significant sanctions on IPG for its conduct during this [Consolidated Proceeding]. The Judges find that dismissal of IPG at this point for a supposed pattern of misconduct would, essentially, constitute sanctioning IPG for conduct *for which it has already been punished.*”

JA 2704, at 2712 (emphasis added).

Following its own edict, the CRB should not have denied MGC the presumption of validity in the current proceeding for the already-punished acts of IPG and its personnel in the Consolidated Proceeding.¹³ Nonetheless, such is precisely the act that the CRB now seeks to legitimize and enforce.

C. THE CRB SUPERFICIALLY RESPONDS TO MULTIGROUP CLAIMANTS’ ASSERTION OF DISPARATE TREATMENT. THE CRB’S RESPONSE REVEALS THE INDEFENSIBLE DISPARATE TREATMENT.

The CRB’s response to MGC’s assertion that “substantial portions of MGC’s claims were dismissed for MGC’s failure to produce evidence that the CRB did not even require the JSC and MPAA to produce in discovery”, is to assure this Court that “[e]ach of the [CRB’s] rulings is comfortably supported by

¹³ This is not to concede that the Consolidated Proceeding sanction was defensible – it was not – but only that it should not have “spilled over” to create an entirely different sanction in a different proceeding.

the record”, and again remind the Court that “extreme deference” should be given to its decisions. CRB Br. at 39-40.

1. “Program Supplier” disparate treatment.

As regards the ruling of the CRB that the MPAA was not required to produce documents that MGC was required to produce in this and prior proceedings, the CRB does not deny such fact, but rationalizes that it was “not improper”. The CRB argument is two-fold.

First, the CRB reiterates its *Claims Ruling* language, asserting MGC’s requested discovery would be “irrelevant”. CRB Br. at 41. Conveniently, the CRB brief ignores that the CRB previously argued *to this Court* that IPG’s failure to satisfactorily respond to the *identical* discovery request was a legitimate basis for sanctioning IPG,¹⁴ IPG actually cited this Court’s ruling within its broader discovery request, and the CRB has previously dismissed IPG claims *solely* because there was a dispute amongst two IPG-represented claimants (the producer and the distributor of a program) to the same program. These arguments and citations are set forth at length in MGC’s moving brief at pages 17-22, none of which are addressed by the CRB. Clearly, the CRB is now estopped from

¹⁴ See *Independent Producers Group v. Librarian of Congress*, 792 F.3d 132, 139 (D.C. Cir. 2015).

reversing its position before this Court and contending that the requested documents are “irrelevant”.¹⁵

Second, the CRB asserts that disparate treatment regarding what is acceptable discovery is allowed because of the *Claims Ruling*, i.e., because MGC had attempted to “shield” itself from prior rulings upon IPG, and IPG’s decision to submit unauthorized claims in this proceeding. CRB Br. at 39. As should be obvious, discovery *preceded* the *Claims Ruling*, in this case by fourteen months, so the acceptable scope of discovery could not have logically been formed by the yet-to-exist denial of presumption of validity.¹⁶ Regardless, no conceivable basis would exist for contending that one party could seek a category of documentation from another in discovery, but not the reverse.

¹⁵ Asserting that MGC mischaracterized its discovery motion, the MPAA sets forth a “red herring” argument at page 18 of the Intervenor brief, challenging that no ruling as to Request no 6 was even sought by MGC. As MGC explained in its moving brief and that motion, Request no. 5 was a subset of Request no. 6, and the CRB previously argued *to this Court* that IPG’s failure to satisfactorily respond to the broader Request no. 6 was a legitimate basis for sanctioning IPG. MGC Br. at 18-19. The MPAA objected that response to Request no. 5 would be “unduly burdensome”, yet incongruously contended it was “unaware” of documents responsive to the broader Request no. 6. MGC alerted the CRB to this logical disconnect as part of its motion to compel production. See JA 2725, at 2730 (fn.4), *Multigroup Claimants’ First Motion to Compel Production of Documents Not Produced by the Motion Picture Association of America* (Apr. 12, 2016).

¹⁶ The CRB’s denial of MGC’s motions to compel discovery were issued in September 2016 (JA 1585 and 1591), while its *Claims Ruling* was issued in October 2017 (JA 2558).

Finally, literally no response was made to MGC's recitation of what occurred when five MPAA-represented claimants each made a fraudulent claim to the *Emmy Awards*, i.e., five "transgressions". MGC Br. at 22. The cited example is one of many MGC could cite,¹⁷ but amply demonstrates that the CRB disparately made no inquiry into the legitimacy of those claimants' *other* claims; no pause occurred to reconsider the MPAA's asserted "rigorous" verification process; no sanction occurred for such obvious malfeasance, such as denying the MPAA's "presumption of validity". Moreover, insult on injury, those five fraudulent claimants had not previously been required to produce any documents validating their claim to the *Emmy Awards*. Indeed, the disparate treatment of MGC is reflected at every stage of the proceedings, e.g., in discovery, and in the presentation of evidence preceding the *Claims Ruling*.

Ironically, section II.B.3. of the CRB brief amply reflects the disparate treatment afforded to MGC. In its moving brief, MGC demonstrated the particular capriciousness of the CRB by micro-interpreting correspondence between MGC

¹⁷ Multiple additional examples exist, such as the MPAA-represented Litton Syndications' continued claim for "Critter Gitters". Despite the *actual* owner submitting an affidavit in the 2000-2003 cable proceedings detailing why Litton's claim was fraudulent, and the CRB accepting such fact, in the subsequent Consolidated Proceeding, Litton *again* made claim for the program, and *again* the MPAA prosecuted such program claim. While acknowledging the foregoing, the CRB neither invalidated the remainder of Litton's claims, nor sanctioned the MPAA for prosecuting a known fraudulent claim. JA 1083, at 1104.

and Azteca International Corporation (“Azteca”). Azteca had engaged MGC to collect the subject royalties, the MGC/Azteca agreement was admitted into evidence and, Azteca would have had no other reason to provide MGC an extensive list of programming other than for the purpose of their agreement. MGC Br. at 45-46. Nonetheless, the *Claims Ruling* proclaimed that the correspondence providing Azteca’s programming list was deficient because the emailed list – organized according to programs for 2010, 2011, 2012, and 2013 – did not articulate that they were 2010-2013 programs being “claimed” by Azteca. *Id.*

The CRB continues with this fiction by dismissing the fact that MGC submitted a declaration making clear that the lists were provided in response to a request for all Azteca programming (as was provided to all MGC-represented claimants). The CRB also ignores the fact that *no evidence* was presented by any adverse party that the program lists attached to the email were *not* owned by Azteca. *Id.*

As if to make MGC’s argument, the CRB brief argues that the CRB was nonetheless justified to make such determination solely because the MPAA “created an appendix listing program titles that, it asserted, Azteca did not own or control” and that MGC provided a “cryptic non-response”. The MPAA parrots the CRB, arguing that no response was forthcoming in its challenge to Azteca.

In fact, MGC responded at length, and cites Azteca ninety-three times in its opposition brief. (JA 3462). As should be evident, MGC's production of correspondence attaching Azteca program claims is itself a response to such argument, but MGC's opposition brief clarified such fact.¹⁸ Moreover, the CRB brief fails to provide MGC's full response to the MPAA argument, wherein MGC observed that the MPAA appendix was merely a list of all the programs claimed by Azteca, not a list of programs for which the MPAA had countervailing evidence of Azteca's ownership. (JA 3462 at 3548-3549). That is, the MPAA presented no evidence that such programs were incapable of being claimed by Azteca, but only that MGC was unauthorized to represent Azteca (an argument rejected by the *Claims Ruling*).

The *Claims Ruling* could not deny that MGC's representation of Azteca was authorized, as their agreement proved. *Claims Ruling* (JA 2558, at 2582-2583, 2586, 2593). Nevertheless, despite the fact that the MPAA presented *zero argument or evidence* to challenge Azteca's program claims – but still summarily challenged hundreds of Azteca program claims simply by listing them on its appendix -- on those grounds alone the CRB shifted the burden to prove Azteca's ownership or control of such programs to MGC. Then, as described above, the

¹⁸ See *Multigroup Claimants Opposition to MPAA Motion for Disallowance of Claims Made by Multigroup Claimants* at 21, citing Exh. G ("Azteca has provided IPG with extensive lists of the programming for which IPG to make claim in these proceedings. Exhibit G.") (JA 3462, at 3482, 3582).

CRB micro-interpreted the meaning of a phrase in Azteca's correspondence to MGC. No comparable burden shifting has ever been imposed on any other party in the history of these proceedings.

Clearly, disparate treatment existed.

2. "Sports programming" disparate treatment.

As regards the disparate treatment of MGC's sports programming claims, it is unrefuted that the CRB limited MGC's right to discovery, holding that no more specific information, such as the collegiate teams actually playing each other, needed to be identified. While JSC's ambiguous identification of "college football" was deemed acceptable, MGC's specific identification *all* "World Cup" and "Liga Mexicana" matches was deemed unacceptable, even for the limited purpose of categorizing such soccer matches as "sports programming". Cf. MGC Br. at 15-17 *with* 39, 42. In response, the CRB disingenuously argues that *if* MGC had translated "Liga Mexicana" to "Mexican League" in its submission, only then would the CRB have been able to understand that such programming was "sports programming" (CRB Br. at 47-48).

Significantly, the JSC proffered no evidence that Liga Mexicana did *not* qualify for sports programming royalties, nor even made such allegation. JA 2759, at 2779-2780, *Motion of the Joint Sports Claimants to Disallow the Multigroup Claimants' Claims Against the Sports Category*. Its aggregate argument was that

MGC *should have* provided more specific programming information demonstrating such qualification, i.e., the *identical* information that the CRB refused to compel the JSC to identify in discovery. *Id.*

The foregoing context makes clear that, absent denial of a presumption of validity, no basis would have existed for the CRB to even require response to the “non-submission” of evidence, or advance its *sua sponte* argument that translating “Liga Mexicana” to English was necessary. Notwithstanding, the JSC persist that the CRB’s denial had no consequence on its ruling regarding Azteca. Interv. Br. at 31.

Clearly, disparate treatment occurred because the CRB denied MGC’s presumption of validity.

D. THE CRB AND INTERVENORS ALTOGETHER FAIL TO ADDRESS THE CRB JUDGES’ ACTIONS OUTSIDE THE NARROW SCOPE OF THE PROCEEDING ON APPEAL.

Perhaps most notable are the arguments to which the CRB and Intervenor fail to even respond. As set forth in the moving brief, MGC, its predecessor IPG, and their personnel, have been the subject of actions by the CRB that, at minimum, give pause to consider any CRB ruling affecting those persons or entities. See MGC Br. at Addendum. Viewed objectively, such CRB actions demonstrate an impropriety that not only warrants a reversal of the CRB rulings, including the

CRB's denial of the "presumption of validity", but raises the issue of recusal of such panel of Judges in future proceedings.

Despite its obvious relevance to the current proceeding, the CRB engages in no defense or denial of the events set forth in MGC's Addendum, wherein MGC details the evidence directly refuting the CRB's denial of the presumption of validity to IPG in the Consolidated Proceeding. Additionally, MGC explained how during the course of these administrative proceedings, the CRB *sua sponte* proposed a regulation that was expressly premised on the (alleged) false testimony of MGC/IPG's representative in the prior Consolidated Proceeding, a proposed regulation that was openly directed at MGC/IPG in order to *officially* preclude MGC/IPG from further participation in *any* royalty proceedings. This was the context in which MGC participated in *these* proceedings. As noted in MGC's Addendum, the CRB's "false testimony" ruling was based entirely on a predicate regarding CRB procedures that was demonstrably inaccurate. See MGC Br. at Addendum. Despite the inaccuracy being documented, and such inaccuracy proven to the CRB vis-à-vis motions for reconsideration, the CRB nonetheless maintained its accusation. The accusation was not made by IPG's adversaries, but solely by the CRB, and directed toward an individual whom the CRB (and all adversaries) failed to even ask a single question regarding the subject matter of the allegedly false testimony. *Id.*

But another act demonstrating the imbalanced treatment toward MGC and its predecessor occurred following the filing of IPG's suit against the CRB in District Court. As the Addendum recites, the Chief Judge of the CRB communicated her challenges to IPG's position to governmental attorneys, *then secretly provided a "bcc:" of such email only to IPG's adversaries, the MPAA and SDC*. Realizing the extraordinary impropriety of such communication, counsel for the SDC (but not MPAA) reported the impropriety to IPG. While the MPAA counsel executing the Intervenor's opposition brief also received such improper communications, he failed to report such matter.

These actions, and scores of other determinations made by the CRB, consistently reflect more than just determinations on which reasonable people can differ. Rather, they demonstrate open bias. Yet while MGC has generally been reticent to bring these distasteful acts to the attention of the Court, they should not be overlooked.¹⁹

The takeaway of the CRB's arguments (and non-arguments) is to demonstrate the capriciousness with which MGC has continued to deal in these proceedings, whereby the CRB has regularly taken positions that fly in the face of

¹⁹ A similar "unexplained vengeance" was demonstrated by CRB predecessors against other parties that still participate in these proceedings. *Christian Broadcasting Network v. Copyright Royalty Tribunal*, 720 F.2d 1295 (D.C. Cir., 1983).

logic and fairness, in the hope that this Court will simply turn a blind eye to its indefensible rulings. That is, the CRB's desire is that this Court engage in more than just "extreme deference", but complete disregard to any standard of review, no matter how unreasonable the CRB's rulings may be.

CONCLUSION

For the reasons set forth above, Multigroup Claimants respectfully requests that this Court reverse the CRB's orders of October 23, 2017 and November 30, 2018, in the manner described herein, and remand the matter to the CRB in order for proceedings thereon to be commenced.

Respectfully submitted,

Dated: August 14, 2019

_____/s/_____
Brian D. Boydston, Esq.
California State Bar No. 155614

PICK & BOYDSTON, LLP
2288 Westwood Blvd., Ste. 212
Los Angeles, California 90064
Telephone: (213)624-1996
Facsimile: (213)624-9073
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of August, 2019, I electronically filed the foregoing brief with the Clerk of Court for the United States Court of Appeals for the District of Columbia Circuit by using the appellate CM/ECF system. I further certify that I will cause eight paper copies of this brief to be filed with the Court within two business days.

The participants in the case are registered CM/ECF users and service will be accomplished by the appellate CM/ECF system.

_____/s/_____
Brian D. Boydston

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1. This brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B) because:

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Dated: August 14, 2019

_____/s/_____
Brian D. Boydston, Esq.
California State Bar No. 155614

PICK & BOYDSTON, LLP
2288 Westwood Blvd., Ste. 212
Los Angeles, California 90064
Telephone: (213)624-1996
Facsimile: (213)624-9073
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

EXHIBIT 5

[ORAL ARGUMENT NOT SCHEDULED]No. 18-1338

IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

Multigroup Claimants,

Appellant,

v.

Copyright Royalty Board and Librarian of Congress,

Appellees,

Amazing Facts, Inc., et al.,

Intervenors.

On Appeal from the Copyright Royalty Judges

FINAL BRIEF FOR APPELLEES

JOSEPH H. HUNT

Assistant Attorney General

MARK R. FREEMAN

MARTIN TOTARO

*Attorneys, Appellate Staff**Civil Division, Room 7513**U.S. Department of Justice**950 Pennsylvania Avenue NW**Washington, DC 20530**(202) 616-5374*

CERTIFICATE AS TO PARTIES, RULINGS, AND RELATED CASES

Pursuant to D.C. Circuit Rule 28(a)(1), the undersigned counsel certifies:

A. Parties and Amici

Except for the following Intervenor, all parties, intervenors, and amici appearing in this Court are listed in the Brief for Appellant:

Amazing Facts, Inc.
American Religious Town Hall Meeting, Inc.
Billy Graham Evangelistic Association
Catholic Communications Corporation
Christian Broadcasting Network, Inc.
Christian Television Network, Inc.
Coral Ridge Ministries Media, Inc.
Cornerstone Television, Inc.
Cottonwood Christian Center
Crenshaw Christian Center
Crystal Cathedral Ministries, Inc.
Family Worship Center Church, Inc. d/b/a: Jimmy Swaggart Ministries
Free Chapel Worship Center, Inc.
In Touch Ministries, Inc.
It Is Written, Inc.
John Hagee Ministries, Inc. f/k/a: Global Evangelism Television
Joyce Meyer Ministries, Inc. f/k/a: Life In The Word, Inc.
Kerry Shook Ministries a/k/a: Fellowship of the Woodlands
Lakewood Church a/k/a: Joel Osteen Ministries
Liberty Broadcasting Network, Inc.
Living Church of God (International), Inc.
Living Word Christian Center
Messianic Vision, Inc.
National Basketball Association
National Collegiate Athletic Association
National Football League
National Hockey League
New Psalmist Baptist Church
Office of the Commissioner of Baseball
Oral Roberts Evangelistic Association, Inc.

Philadelphia Church of God, Inc.
Potter's House of Dallas, Inc. d/b/a: T.D. Jakes Ministries
RBC Ministries
Rhema Bible Church a/k/a: Kenneth Hagin Ministries
Ron Phillips Ministries
St. Ann's Media
Women's National Basketball Association
Word of God Fellowship, Inc. d/b/a: Daystar Television Network
Zola Levitt Ministries
Motion Picture Association of America, Inc.

B. Rulings Under Review

This case is a direct appeal from a final determination of the Copyright Royalty Judges. Appellant Multigroup Claimants is a business entity that seeks review of a ruling distributing copyright royalties for certain programming, *see* 83 Fed. Reg. 61,683 (Nov. 30, 2018) (A2702-03), as well as an interlocutory ruling issued during the proceedings, *see* Claims Ruling, Doc. 1550 (Oct. 23, 2017) (A2558-2643).

C. Related Cases

This case has not previously been before this Court. An appeal arising out of the same consolidated proceedings before the Copyright Royalty Judges is pending before this Court. *See Program Suppliers v. Copyright Royalty Bd.* (No. 19-1063).

/s/Martin Totaro
MARTIN TOTARO

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GLOSSARY

(A__)	Appendix
IPG	Independent Producers Group, the predecessor to Multigroup Claimants
Joint Sports Claimants	A group of claimants seeking royalty funds in the sports programming category
MPAA	Motion Picture Association of America

INTRODUCTION

This appeal involves the distribution of copyright royalties collected under statutory licenses in the Copyright Act and held in a fund maintained by the Copyright Office. Congress entrusted the Copyright Royalty Judges with the responsibility to accept or reject claims to these royalties and periodically to distribute the collected fees to copyright owners and their designated representatives. Under this statutory scheme, if the claimants to a particular royalty fund agree on the proper distribution of the royalty fees, the Judges may approve distribution of the funds accordingly. Congress did not provide direct review in this Court of the Judges' approval of such a settlement. *See generally Independent Producers Grp. v. Library of Congress*, 759 F.3d 100 (D.C. Cir. 2014) (*IPG I*). If the claimants to a royalty fund do not agree, the Judges conduct an adversarial, trial-like administrative proceeding to determine the appropriate distribution of the disputed funds, culminating in a “determination” subject to direct review in this Court under 17 U.S.C. § 803(d).

Congress provided the Judges with considerable freedom to craft their own procedures, and the Judges have done so. For example, at the outset of distribution proceedings, the Judges apply a presumption of validity to a claim for royalties if the filer certifies that it has authority to file the claim—that is,

that the filer is either itself a copyright owner entitled to collect royalties or the authorized representative of such an owner. Put simply, the Judges will normally presume that parties are who they say they are, that they represent whom they claim to represent, and that the claims themselves are valid. That presumption allows the Judges to more expeditiously process the claims filed annually on behalf of tens of thousands of copyright owners. But if the Judges determine that a filer has acted in bad faith in proceedings before the Judges or that one of the filer's claims included inaccurate information, they may withhold the presumption and require the filer to produce evidence sufficient to demonstrate that the claims are valid and that the filer actually represents the copyright owner.

Appellant Multigroup Claimants is a business entity that contests the Judges' distribution of cable television and satellite retransmission royalties paid under the statutory licenses in 17 U.S.C. §§ 111 and 119 for the years 2010-2013. In particular, Multigroup Claimants challenges the distributions of royalties in two distinct categories of programming: the program suppliers category (*i.e.*, syndicated programming) and the sports category (*i.e.*, live team sports programming).

In an interlocutory ruling, the Judges withheld from Multigroup Claimants the presumption of validity for its claims based on two independent

findings: (1) the Judges found that Multigroup Claimants changed its name from Independent Producers Group, or IPG—an entity that had twice previously been denied the presumption—at least in part to avoid the evidentiary burden that the Judges had placed on IPG in past proceedings; and (2) the Judges found that IPG submitted unauthorized royalty claims in these proceedings that it subsequently assigned to Multigroup Claimants.

Without the presumption of validity, Multigroup Claimants was unable to demonstrate an entitlement to royalties for many of its claims in the program suppliers category and any of its claims in the sports category.

Multigroup Claimants later agreed with the Motion Picture Association of America (MPAA) to a distribution of royalty shares in the program suppliers category, removing any need for the Judges to conduct a hearing or make findings and conclusions that would be subject to direct review in this Court. The Judges accepted that settlement, concluded that no controversy remained between the parties, and decided that they did not need to conduct a contested hearing because the parties had settled the issues themselves.

Multigroup Claimants now seeks to upset the terms of its settlement with MPAA. But as this Court has previously recognized, a determination by the Copyright Royalty Judges accepting a stipulated distribution of royalties and finding no remaining controversy is not subject to review by this Court. As the

Court explained in *IPG I*, the Judges’ determination “that no controversy exists and thus that no proceedings are needed” is not subject to appellate review because the relevant judicial-review provision bars any “effort to revisit a past distribution that was based on a ‘no controversy’ determination.” 759 F.3d at 105, 106. In the absence of any appealable order, the Judges’ interlocutory ruling dismissing Multigroup Claimants’ claims in the sports category likewise cannot be reviewed at this juncture.

If this Court reaches the merits, it should affirm the Judges’ orders. The Judges’ fact-bound decision to withhold the presumption of validity from Multigroup Claimants’ royalty claims is comfortably supported by the record. And although Multigroup Claimants complains that the Board acted arbitrarily and capriciously in several of its evidentiary rulings, those rulings also find abundant support in the record.

STATEMENT OF JURISDICTION

Multigroup Claimants seeks review of orders issued by the Copyright Royalty Judges concerning certain royalties in program suppliers and sports programming categories. For reasons discussed in the Argument below, this Court lacks jurisdiction over Multigroup Claimants’ challenge to those orders. *See IPG I*, 759 F.3d at 105-09; *cf.* 17 U.S.C. § 803(d)(1) (authorizing direct review in this Court only of final determinations after a contested hearing).

STATEMENT OF THE ISSUES

1. Whether this Court lacks jurisdiction to review an interlocutory order issued by the Copyright Royalty Judges or a final order that merely gives effect to a settlement agreement reached by royalty fee claimants.

2. Whether the 2010-2013 royalty fee distributions authorized by the Copyright Royalty Judges are reasonable and supported by the record.

PERTINENT STATUTES AND REGULATIONS

Pertinent statutes and regulations are reproduced in the addendum to this brief.

STATEMENT OF THE CASE

A. Statutory Background

The Copyright Act, 17 U.S.C. §§ 101 *et seq.*, confers on the owner of a copyright a set of exclusive rights in the copyrighted work. *See generally* 17 U.S.C. § 106. In some circumstances, the Act limits the exclusivity of those rights by permitting use of the copyrighted work by any person who satisfies conditions set by law, including payment of a royalty. *E.g., id.* § 114(f). Since 2004, Congress has entrusted responsibility for setting and adjusting royalty rates and distributing royalty funds collected under statutory licenses to the Copyright Royalty Judges. *See* Copyright Royalty and Distribution Reform

Act of 2004, Pub. L. No. 108-419, 118 Stat. 2341 (codified at 17 U.S.C. §§ 801 *et seq.*).¹

Two of the statutory licenses in the Copyright Act permit operators of cable television and satellite systems, in exchange for a prescribed royalty, to retransmit to their subscribers broadcasts of copyrighted material, such as broadcast television shows or live team sports programming. *See* 17 U.S.C. §§ 111 (cable), 119 (satellite). Cable and satellite operators must deposit their royalty payments under those statutory licenses into a fund maintained by the Register of Copyrights, pending distribution to copyright owners. *See id.* §§ 111(d)(1)-(2), 119(b)(1)-(2). Copyright owners or their representatives may claim their portion of a given year's royalty fees through annual filings with the Judges. *Id.* §§ 111(d)(3)-(4), 119(b)(3)-(4).

“To promote the efficient distribution of royalty fees, Congress crafted distribution procedures that encourage the private resolution of fee disputes and limit judicial review of such private agreements.” *IPG I*, 759 F.3d at 102. If the claimants agree on the appropriate division of the collected royalties, the Judges may find that no controversy exists over the distribution of the fees and

¹ Multigroup Claimants refers to the agency as the “Copyright Royalty Board,” a term drawn from regulations. *See* 37 C.F.R. § 301.1. This brief uses the statutory term “Copyright Royalty Judges,” *see* 17 U.S.C. §§ 801 *et seq.*, following the Judges’ practice.

adopt the parties' agreement "as a basis for the distribution of statutory royalty payments." 17 U.S.C. § 801(b)(7)(A). If the claimants cannot reach a settlement, however, the Copyright Royalty Judges must determine the appropriate distribution of the royalty fund by conducting an adversarial, on-the-record "proceeding." *See id.* §§ 111(d)(4)(B), 119(b)(5)(B), 803.

The Copyright Act does not establish any standard, guideline, or formula for the Judges' distribution of statutory royalties through such a proceeding. Congress specifically declined to establish "particular, limiting standards." *National Ass'n of Broads. v. Copyright Royalty Tribunal*, 675 F.2d 367, 373 (D.C. Cir. 1982). Rather, Congress expected the Judges to craft a reasonable distribution of the funds in each case by bringing their expertise and experience to bear on the arguments and evidence marshaled by the copyright owner or the owner's representative. The Judges have issued rules governing proceedings that permit discovery, motions practice, expert reports, and live testimony. *See* 37 C.F.R. §§ 350.1 *et seq.* (describing proceedings before the Copyright Royalty Judges).

At the end of a proceeding, absent a settlement, the Copyright Royalty Judges issue a final determination. *See* 17 U.S.C. § 803(c). The determination sets out the Judges' findings and conclusions and either allocates or distributes the contested portions of the royalty fund. *See id.*; *id.* §§ 111(d)(4)(B),

119(b)(5)(B). The Register of Copyrights may review the Judges' legal conclusions and issue a written decision correcting any material errors "of substantive law under this title." *Id.* § 802(f)(1)(D). The Librarian of Congress then publishes the determination and any accompanying corrections in the Federal Register and makes the determination, any corrections, and the administrative record available to the public. *Id.* § 803(c)(6).

An aggrieved party may seek direct review in this Court of a final determination issued pursuant to Section 803(c) by filing a notice of appeal within thirty days of the publication of the determination in the Federal Register. *See* 17 U.S.C. § 803(d)(1) (providing for appeal of "[a]ny determination of the Copyright Royalty Judges under [§ 803(c)]"). But only such a final determination—*i.e.*, one issued after a contested hearing—is subject to review. By limiting this Court's jurisdiction in that manner, Congress precluded review of orders by the Judges finding "that no controversy exists and thus that no proceedings are needed." *IPG I*, 759 F.3d at 106. "There are, in short, two different kinds of decisions that arise in the Copyright Act's royalty distribution process: (1) a determination under Chapter 8 in which the Royalty Judges decide who gets what, subject to direct review in this [C]ourt; and (2) a mechanical distribution under Chapter 1 in which the parties themselves decide who gets what and the Royalty Judges

simply give effect to that uncontroverted division of the pie, with no direct review in this [C]ourt ensuing.” *Id.* at 107.

B. Factual and Procedural Background

In December 2014, the Judges published notice in the Federal Register announcing that they would begin proceedings to determine how to distribute 2010, 2011, and 2012 royalties under the cable and satellite licenses. *See* 79 Fed. Reg. 76,396 (Dec. 22, 2014) (A1052-54). By separate notice published in the Federal Register in June 2015, the Judges announced that they would initiate proceedings to distribute 2013 cable and satellite royalties. *See* 80 Fed. Reg. 32,182 (June 5, 2015) (A1423-24). The Judges later consolidated each set of cable and satellite proceedings, which began on parallel tracks and were later fully consolidated. *See* Cable Consolidation Notice, Doc. 656 (Sept. 9, 2015) (A1445-53); Satellite Consolidation Notice, Doc. 894 (Sept. 9, 2015) (A1454-61); Cable & Satellite Consolidation Notice, Doc. 1737 (Dec. 22, 2017) (A2684-86).

The 2010-2013 cable and satellite proceedings have addressed two primary issues: (1) how royalties should be divided *among* different categories of programming, which is generally referred to as “allocation”; and (2) how royalties should be divided *within* a particular category, which is generally referred to as “distribution.” In some prior proceedings, the allocation stage

was known as “Phase I,” while the distribution stage was known as “Phase II.” *See IPG I*, 759 F.3d at 102. Because the two stages ran on parallel tracks rather than sequentially, the Judges did not use those terms in these consolidated proceedings. The Judges’ distribution order is based on a percentage rather than a dollar amount, so that the amount of money distributed at the end of the proceedings will depend on the final allocations.

The programming category royalties in these proceedings include, among others, program suppliers (syndicated programming royalties), sports (live team sports programming royalties), and devotional (religious programming royalties). This appeal concerns distribution within the program suppliers and sports categories. A separate appeal to this Court, in which Multigroup Claimants has not participated, addresses the Judges’ decision to allocate cable royalties among the categories. *See Program Suppliers v. Copyright Royalty Board* (No. 19-1063). Satellite allocation proceedings remain pending before the Judges.

1. Preliminary Rulings on Claim Validity

The Judges issued an interlocutory order that addressed the validity of competing claims to both cable and satellite funds for 2010-2013. *See Claims Ruling*, Doc. 1550 (Oct. 23, 2017) (A2558-2643). In doing so, they determined

which entities had valid claims in the program suppliers, sports, and devotional categories.

a. The Presumption of Validity

By regulation, a filer seeking royalties in a royalty distribution proceeding before the Copyright Royalty Judges must submit a “declaration of authority to file the claim and a certification of the veracity of the information contained in the claim and the good faith of the person signing in providing the information.” 37 C.F.R. § 360.4(b)(1)(vi), (b)(2)(vi). All filers submitting a declaration are given “a presumption of validity to claims,” and the Judges also “assume authority of the claims representative appearing” in the proceeding. Claims Ruling 5 (A2562). The presumption thus operates in two ways: When it applies, the Judges (1) presume that the underlying claim to a copyright royalty is valid, and (2) assume that a filer seeking royalties has authority to represent the copyright owner of the claim. That presumption provides an expedient method to resolve claims by the “tens of thousands of copyright owners” seeking royalties every year. *Id.*

A filer may lose the presumption if the Judges find that the filer has acted in bad faith or that one of the filer’s claims included inaccurate information. *See* Claims Ruling 5 (A2562). For example, “[i]n two recent distribution proceedings the Judges have found that a presumption of validity

should not apply to claims filed by IPG”—Multigroup Claimants’ predecessor—based on IPG’s “filing of false claims for the royalty year at issue,” and because Raul Galaz, who also acted on behalf of Multigroup Claimants in these proceedings, “testified falsely concerning the filing of IPG’s 2008 satellite royalty claims.” Claims Ruling 5-6 (A2562-63); *see also IPG I*, 759 F.3d at 103 (“The company’s founder, Raul Galaz, was convicted in 2002 of submitting fraudulent claims to the Copyright Office, in which he asserted rights to royalties (under the same statutory license scheme at issue in this case) for the cartoon show ‘Garfield and Friends.’”). When a party loses the evidentiary presumption, it still may recover royalties but must produce evidence sufficient to demonstrate that the claims are valid, and that the filer validly represents the copyright owner. Claims Ruling 6 (A2563).

In these proceedings, MPAA and the Joint Sports Claimants opposed Multigroup Claimants’ royalty requests, based in part on their arguments that the Judges should not afford Multigroup Claimants the presumption of claim validity. *See* MPAA Mot., Doc. 829 (Oct. 11, 2016) (A3005-49); Joint Sports Claimants Mot., Doc. 746 (Oct. 11, 2016) (A2759-80). In response, Multigroup Claimants urged that its “claims are entitled a presumption of validity,” while also arguing that its “claims are based on a wealth of documents,” including over 150 pages of attachments and exhibits it filed in

opposition to the parties' request that the presumption be withheld from Multigroup Claimants. MGC Opp'n to MPAA Mot., Doc. 887, at 6-44, 73-79 (Oct. 31, 2016) (A3467-3505, A3534-40); *see* MGC Opp'n to Joint Sports Claimants Mot., Doc. 870 (Oct. 31, 2016) (A3722-3937).

After reviewing the parties' submissions, the Judges found that the presumption should be withheld from Multigroup Claimants' claims for two distinct reasons. *First*, IPG participated in this case and submitted royalty claims, but then dropped out and assigned its claims to Multigroup Claimants. Claims Ruling 2 (A2559). The Judges found that Multigroup Claimants and IPG "engaged in this transaction" at least in part "to evade the Judges' prior rulings" that had withheld the presumption from IPG. *Id.* at 10 (A2567). The Judges concluded that Multigroup Claimants could not benefit from the presumption of validity when IPG could not have done so itself. *Id.* at 12 (A2569).

Second, the Judges found that IPG engaged in separate conduct that precluded the presumption of validity from applying to the claims that it later assigned to Multigroup Claimants. The Judges recognized nine different "examples of IPG's unauthorized royalty claims" filed in these proceedings that IPG had assigned to Multigroup Claimants. Claims Ruling 12 (A2569). After noting that "[t]he level of uncertainty regarding the veracity of IPG's

royalty claims” assigned to Multigroup Claimants “cannot be understated,” the Judges ruled that the presumption could be withheld on that independent basis. *Id.*

The Judges’ decision to withhold the presumption did not preclude Multigroup Claimants from recovering royalties. Rather, Multigroup Claimants needed to produce evidence sufficient to demonstrate that the claims were valid, and that Multigroup Claimants validly represented the copyright owners of the claims. Claims Ruling 6 (A2563).

b. Rulings on Claim Validity

The Judges addressed a panoply of objections to Multigroup Claimants’ cable and satellite royalty claims in the program suppliers category. As a threshold matter, the Judges rejected MPAA’s argument that Multigroup Claimants needed to obtain consent directly from the underlying copyright owners that IPG purported to represent. Claims Ruling 13-16 (A2570-73). But the Judges also rejected several claims by Multigroup Claimants on multiple grounds, finding that some copyright owners had terminated or disavowed representation by IPG (and therefore Multigroup Claimants); that other copyright owners had switched their representation from IPG to MPAA; that Multigroup Claimants had failed to prove that it represented particular copyright owners, or to present new evidence to overturn prior orders finding

that IPG did not represent certain copyright owners; that other copyright owners allegedly represented by Multigroup Claimants did not file a claim or petition to participate in the proceedings at all; and that still other purported copyright owners failed to produce sufficient evidence of ownership. *Id.* at 16-40 (A2573-97). The Judges also rejected several objections by Multigroup Claimants to MPAA's royalty claims. *Id.* at 40-45 (A2597-2602).

The Judges dismissed all of Multigroup Claimants' claims in the sports category. As they had in prior proceedings, the Judges found that Multigroup Claimants failed to establish that Fédération Internationale de Football Association, or FIFA, owned the copyright to any retransmitted sports programs and that IPG/Multigroup Claimants had the right to represent FIFA in any event. Claims Ruling 45-47 (A2602-04). In the earlier proceedings, IPG had "failed to disclose correspondence indicating FIFA's termination of the IPG representation" and also had "failed to provide sufficient evidence to establish its right to act as authorized representative of FIFA." *Id.* at 45 n.87 (A2602 n.87). This Court has already upheld the Judges' decision to exclude several IPG exhibits in response to that "blatant" violation of a discovery order, which "plainly required IPG to produce evidence that might undermine its assertion of authority to represent FIFA." *Independent Producers Grp. v. Librarian of Congress*, 792 F.3d 132, 138-39 (D.C. Cir. 2015) (*IPG II*). But

Multigroup Claimants “relie[d] in these proceedings on the same” insufficient documentary evidence as in the prior proceedings, even though “[n]othing in the proffered documents establishes FIFA ownership of any of the programs for which [Multigroup Claimants] seeks royalty distributions,” and Multigroup Claimants failed to “produce any evidence that FIFA has retained” Multigroup Claimants or IPG “to represent its interests in these proceedings.” Claims Ruling 45-46 (A2602-03). The Judges separately found that Multigroup Claimants could not establish “that the FIFA programs are compensable from the sports programming category.” *Id.* at 47 (A2604).

The Judges also dismissed Multigroup Claimants’ attempt to receive royalties from Canadian Football League retransmissions, because that entity had terminated its representation agreement with IPG in 2016 for all representation of past and future claims. Claims Ruling 48-49 (A2605-06). And the Judges rejected Multigroup Claimants’ other claims in the sports category because “the titles are listed in Spanish and are presented without the requisite English translation, let alone any description of the contents of the listed programs.” *Id.* at 49 (A2606); *see* 37 C.F.R. § 350.6(c) (“Filers must accompany each submission that is in a language other than English with an English-language translation, duly verified under oath to be a true translation.”).

The Judges rejected numerous challenges to Multigroup Claimants' claims in the devotional category. Claims Ruling 50-55 (A2607-12). It also dismissed several challenges by Multigroup Claimants to the claims of others in that category. *Id.* at 56-58 (A2613-15). Those parties later agreed to a distribution of shares, which the Judges accepted. *See* 83 Fed. Reg. 38,326 (Aug. 6, 2018) (A2691-92). Multigroup Claimants does not seek review of that agreement in this Court.

2. Settlement of Program Suppliers Royalties

MPAA and Multigroup Claimants later entered into a stipulation asking the Judges to adopt “the royalty shares proposed by MPAA in the program suppliers programming category in Docket No. 14-CRB-0010-CD/SD 2010-2013, as to the 2010-13 cable and satellite royalty years.” Joint Stipulation, Doc. 3423, at 1 (Aug. 9, 2018) (A2693). The parties explained that, based on the stipulation, “there remains no genuine dispute relating to the adoption of the MPAA’s proposed shares, and good cause exists for entry of a final distribution determination.” *Id.* The parties “therefore jointly move[d] for entry of a final distribution order for 2010-13 cable and satellite royalties for the Program Suppliers category.” *Id.* And “since there [wa]s no remaining controversy relating to the cable and satellite royalty funds in the Program Suppliers category, the hearing” where the Judges would issue fact findings

was “no longer necessary.” *Id.* The parties thus asked that “the percentage allocations” they agreed to “should be adopted, and the subject of a final distribution order, without prejudice to the parties’ right to appeal the Judges’ interlocutory ruling in this consolidated proceeding with regard to both cable and satellite claims issues.” *Id.* at 2-3 (A2694-95).

The Judges accepted the parties’ stipulation. They “f[ou]nd that the parties’ agreement as to the final percentage distribution has ended any remaining controversy with regard to the subject funds over which the Judges have jurisdiction.” 83 Fed. Reg. 61,683, 61,683 (Nov. 30, 2018) (A2702). Based on the parties’ stipulation, the Judges ruled that “good cause exists for entry of a final distribution determination relating to the subject funds.” *Id.* at 61,684 (A2703). The Judges thus ordered “that final distribution of the cable and satellite royalty funds allocated to the Program Suppliers category shall be in accordance with the following relative shares”:

	<u>Program Suppliers Category</u>	
	MPAA (%)	Multigroup Claimants (%)
<i>Cable Royalty Year</i>		
2010	99.37	0.63
2011	99.47	0.53
2012	99.45	0.55
2013	99.50	0.50
<i>Satellite Royalty Year</i>		
2010	99.52	0.48
2011	99.82	0.18
2012	99.82	0.18
2013	99.89	0.11

Id. The Judges also stated that “this final distribution determination is without prejudice to the parties’ right to appeal the Judges’ interlocutory ruling in this consolidated proceeding with regard to both cable and satellite claims issues.”

Id.

SUMMARY OF ARGUMENT

I. This Court lacks jurisdiction to review an order issued by the Copyright Royalty Judges that merely gives effect to a settlement agreement. As this Court has previously recognized, Congress limited the scope of this Court’s jurisdiction to review Judges’ determinations only when issued pursuant to Section 803(c) of the Copyright Act. *See* 17 U.S.C. § 803(d)(1).

Section 803(c) determinations are issued after a contested proceeding and feature a written record, conclusions of law, and findings of fact. In this case, there was no contested proceeding and thus no appealable determination. Instead, the parties stipulated that a hearing before the Judges was no longer necessary in light of their agreement that divided up the percentage distribution of royalties in the program suppliers category.

The Judges' conclusion "that no controversy exists and thus that no proceedings are needed" is not subject to review in this Court because "the straightforward text of" Section 803(c) "excludes [Multigroup Claimants'] effort to revisit a past distribution that was based on a 'no controversy' determination." *IPG I*, 759 F.3d at 105, 106. In the absence of a determination giving rise to appellate jurisdiction, Multigroup Claimants cannot seek review in this Court of any interlocutory rulings that preceded the parties' settlement. Dismissing the appeal would, moreover, be consistent with the parties' stipulation that reserved appellate rights because Multigroup Claimants retained the opportunity to seek appellate review of claims it did not settle.

II. In any event, the 2010-2013 royalty fee distributions established by the Copyright Royalty Judges are reasonable and supported by the record. Multigroup Claimants contends that the Judges' distribution determination

should be overturned because, according to Multigroup Claimants, the Judges erred in declining to presume the validity of the claims submitted by Multigroup Claimants. The Judges normally presume that parties who submit claims in royalty distribution proceedings are authorized to pursue those claims and that the claims themselves are valid. Given the enormous volume of claims the agency must process, it would be infeasible to proceed in any other way. But the Judges have sensibly reserved their discretion to require, when the circumstances warrant, that a particular party demonstrate that it is, in fact, the valid representative of a copyright owner entitled to claim royalties and that the claims are valid.

Here, the Judges appropriately declined to presume the validity of Multigroup Claimants' claims for two independent reasons. First, the Judges found that IPG changed its name to Multigroup Claimants at least in part to avoid the evidentiary burden that the Judges had placed on IPG in past proceedings based on IPG's demonstrated pattern of submitting unsubstantiated royalty claims. Second, IPG filed multiple royalty claims in these very proceedings without the authorization of the copyright owners, and then assigned those claims and others to Multigroup Claimants. In light of that conduct, the Judges reasonably decided that they would withhold the presumption of validity from Multigroup Claimants.

Multigroup Claimants asserts that the Judges' decision to withhold the presumption of claim validity constituted a denial of due process. That contention is meritless. Multigroup Claimants and IPG filed claims knowing that the presumption could be withheld if the Judges found that a filer has acted in bad faith in proceedings before the Judges or that one of its claims included inaccurate information. The Judges had also specifically instructed IPG in prior proceedings that it could not simply change its name to distance itself from IPG's prior conduct. And the Judges withheld the presumption only after receiving briefing from the parties.

Multigroup Claimants also argues that it was treated differently from other participants that did not have the evidentiary presumption withheld. That is correct insofar as it goes; the loss of an evidentiary presumption necessarily has consequences. Only those participants that did not engage in conduct that caused the Judges to reasonably question the validity of their claims were entitled to the presumption of validity that supported their receipt of the royalty distributions they sought. The Judges' other evidentiary rulings likewise find abundant support in the record.

STANDARD OF REVIEW

This Court exercises direct review over final "determination[s] of the Copyright Royalty Judges" issued pursuant to Section 803(c). 17 U.S.C.

§ 803(d)(1). The Court upholds such determinations unless they are arbitrary, capricious, contrary to law, or not supported by substantial evidence. *See id.*

§ 803(d)(3) (specifying that “Section 706 of title 5 shall apply with respect to review by the court of appeals under this subsection”); 5 U.S.C. § 706(2). The Court grants “extreme deference” to how the Judges choose to conduct their own proceedings, including evidentiary rulings. *See IPG II*, 792 F.3d at 138-39.

ARGUMENT

I. This Court lacks jurisdiction over Multigroup Claimants’ appeal

Multigroup Claimants stipulated to the final distribution of cable and satellite royalties for the program suppliers category. It now seeks to upset the percentage of royalty shares it asked the Judges to approve. But this Court does not have jurisdiction over an appeal of an order by the Judges that merely implements an agreement entered into by the parties.

As this Court explained in *Independent Producers Group v. Library of Congress*, 759 F.3d 100 (D.C. Cir. 2014) (*IPG I*), when it rejected an attempt by Multigroup Claimants’ predecessor to appeal an order giving effect to a settlement agreement, Congress limited the scope of this Court’s jurisdiction to review only certain types of the Judges’ determinations. *Id.* at 106. The judicial-review provision states that “[a]ny determination of the Copyright Royalty Judges *under subsection (c)* may, within 30 days after the publication of

the determination in the Federal Register, be appealed” to this Court by an aggrieved participant “who fully participated in the proceeding and who would be bound by the determination.” 17 U.S.C. § 803(d)(1) (emphasis added). Section 803(c)(3) in turn explains that “[a] determination of the Copyright Royalty Judges shall be supported by the written record and shall set forth the findings of fact relied on by the Copyright Royalty Judges.” *Id.* § 803(c)(3).

Here, the Judges did not set forth findings of fact because the parties agreed that a “hearing” before the Judges was “no longer necessary” in light of their stipulation. Joint Stipulation, Doc. 3423, at 1 (A2693). The Judges accepted the parties’ stipulation “as to the final percentage distribution,” which “ended any remaining controversy with regard to the subject funds over which the Judges have jurisdiction.” 83 Fed. Reg. at 61,683 (A2702); *cf. United States v. Laslie*, 716 F.3d 612, 615 (D.C. Cir. 2013) (“This court does not allow parties to reopen issues waived by stipulation at trial.”); *United States ex rel. Miller v. Bill Harbert Int’l Constr., Inc.*, 608 F.3d 871, 889 (D.C. Cir. 2010) (per curiam) (“Stipulations of fact bind the court and parties. This is their very purpose, their ‘vital feature.’” (citations omitted)). The Judges’ determination “that no controversy exists and thus that no proceedings are needed does not” allow for appellate review because “the straightforward text of” Section 803(c) “excludes

[Multigroup Claimants'] effort to revisit a past distribution that was based on a 'no controversy' determination." *IPG I*, 759 F.3d at 105, 106.

In the absence of a controversy generating an appealable order under Section 803(c), Multigroup Claimants cannot seek appellate review of any interlocutory rulings that preceded the parties' settlement. Although prior interlocutory orders may "merge[]" into and be "reviewable as part of" an appealable order, *Settling Devotional Claimants v. Copyright Royalty Bd.*, 797 F.3d 1106, 1114 (D.C. Cir. 2015), this Court has no jurisdiction to review an interlocutory ruling in the absence of an appealable order issued pursuant to Section 803(c) that would provide this Court with jurisdiction in the first instance. As a result, this appeal should be dismissed.

This Court's decision in *Independent Producers Group v. Librarian of Congress*, 792 F.3d 132 (D.C. Cir. 2015) (*IPG II*), is not to the contrary. In that case, the Judges issued two interlocutory rulings that IPG had no valid claims in a sports programming category and distributed all royalty fees in that category to another party. *Id.* at 137. The Judges also dismissed some of IPG's claims in the program suppliers category, held a hearing to divide up the fees, and issued a final, appealable determination after making the requisite findings of fact. *Id.* The Court ruled that it had jurisdiction to review "the

Board's orders disposing of IPG's claims" in the sports programming category as "part and parcel of the final determination." *Id.* at 138.

Critically, the Court stated that, in *IPG I*, it had held that Section 803(d)(1) does not permit judicial review "when royalty fee claimants reach a settlement agreement and the Board merely gives effect to that agreement." *IPG II*, 792 F.3d at 137. The Court also explained that, in the case before it and unlike in *IPG I*, "there [wa]s no question that the Board issued a final determination distributing royalty fees *under Section 803(c)*" because IPG "had its contentious dispute with the Joint Sports Claimants resolved by the Board." *Id.* at 137-38 (emphasis added).

Here, by contrast, the Judges made clear "that no controversy exists and thus that no proceedings are needed." *IPG I*, 759 F.3d at 106; *see* 83 Fed. Reg. at 61,683 (A2702). And because the parties came to an agreement that eliminated the need for a hearing, that order does not feature one of the essential characteristics of a determination issued pursuant to Section 803(c): It contains no findings of fact. *But see IPG I*, 759 F.3d at 106 ("[S]ubsection (c) requires that the Royalty Judges set forth the findings of fact on which they rely in making a determination, and that the determination be supported by the written record."); *see* 17 U.S.C. § 803(c)(3). This Court has explained that, "[w]hen the parties bypass the controversy process by settling their dispute,

they forgo the particular opportunity for judicial review in this [C]ourt authorized by 17 U.S.C. § 803(d)(1).” *IPG I*, 759 F.3d at 107. That principle forecloses Multigroup Claimants’ appeal.

Multigroup Claimants notes (Br. 47) that, although it “stipulated to the figures advocated by the MPAA as the value of Multigroup Claimants’ programming,” that stipulation was “expressly subject to Multigroup Claimants continued ability to appeal” the Judges’ interlocutory claims ruling. Of course, “parties cannot create jurisdiction by stipulation,” *CostCommand, LLC v. WH Adm’rs, Inc.*, 820 F.3d 19, 24 (D.C. Cir. 2016), so any reservation language in the stipulation could not expand this Court’s jurisdiction under Section 803(d)(1). And in any event, dismissing the appeal for lack of jurisdiction would not render inoperative the parties’ agreement that Multigroup Claimants would still have an opportunity to appeal the interlocutory claims ruling. That is because the interlocutory claims ruling addressed claims in the program suppliers, sports, and devotional programming categories. Multigroup Claimants agreed to settle its royalty claims in the program suppliers and devotional categories, thereby precluding judicial review of those claims. But the interlocutory ruling also dismissed all of Multigroup Claimants’ claims in the sports category. *See* Claims Ruling 45-49 (A2602-06). The Judges issued their final allocation determination for that

category (among other categories) for cable royalties in a determination published in the Federal Register. *See* 84 Fed. Reg. 3552 (Feb. 12, 2019).

Under *IPG II*—and consistent with the stipulation preserving appellate rights—Multigroup Claimants had the opportunity to seek review of the interlocutory order’s dismissal of its claims in the sports category by appealing the Judges’ final determination allocating cable royalties in that category. That determination is currently on review in this Court, although neither IPG nor Multigroup Claimants is participating in the appeal. *See Program Suppliers v. Copyright Royalty Bd.* (No. 19-1063). And Multigroup Claimants may still seek review of the Judges’ dismissal of any sports category claims for *satellite* royalties in any future appeal arising out of the proceedings on that question still pending before the Judges. Under *IPG I*, however, Multigroup Claimants may not seek this Court’s review of claims in the program suppliers category, and it may not appeal other interlocutory rulings when there is no determination issued pursuant to Section 803(c) giving rise to appellate jurisdiction.

II. The 2010-2013 royalty fee distributions established by the Copyright Royalty Judges are reasonable and supported by the record

If the Court reaches the merits of the orders challenged by Multigroup Claimants, it should affirm. Multigroup Claimants raises no challenge to the

Judges' regulations or their interpretation of the Copyright Act. Nor does it contest that the Judges have broad authority to structure their own proceedings—including the discretion to adopt and, in appropriate cases, withhold, a presumption of claim validity. Instead, Multigroup Claimants challenges the Judges' fact-bound decision in these proceedings to withhold the presumption of validity from Multigroup Claimants and require it to prove that it was, in fact, the valid representative of copyright owners entitled to royalty distributions and that the claims themselves were valid. The Judges' rulings are amply grounded in the record, and Multigroup Claimants offers nothing to upset the Judges' fact-specific conclusions.

A. The Judges properly withheld the presumption of validity from Multigroup Claimants

1. The presumption of claim validity

The presumption of claim validity is an indispensable tool that allows the Judges to process the enormous number of royalty claims filed every year. “Each year, tens of thousands of copyright owners file claims to the royalties deposited by cable systems and satellite services.” Claims Ruling 5 (A2562). As the Judges have explained, “[t]he sheer volume of claims at issue in royalty distribution proceedings creates a particular requirement that participants act with honesty and integrity, in addition to the general ethical duty in all proceedings.” *Id.*

For filers certifying that they have authority to seek royalties for a claim, “the Judges afford a presumption of validity to claims and assume authority of the claims representative appearing in a distribution proceeding.” Claims Ruling 5 (A2562). That presumption may be withheld, however, if a participant can produce evidence sufficient to show that a filer has not acted with the honesty or integrity necessary for the royalty system to operate, or that one of a filer’s claims includes inaccurate information. *Id.*

2. The Judges reasonably concluded that Multigroup Claimants was not entitled to the presumption of claim validity

Multigroup Claimants does not contest the ability of the Judges to structure their own proceedings by applying a presumption of validity to filers who declare authority to file a claim, certify the truth of the information contained in the claim, and certify the good faith of the signatory. *See* MGC Mot., Doc. 750, at 12 (Oct. 10, 2016) (A1608) (“To be clear, Multigroup Claimants does not challenge that for feasibility of the proceedings a ‘presumption of validity’ should logically attach to whether a claimant owns the copyright to the program to which they are making claim.”). Nor does Multigroup Claimants challenge the ability of the Judges to withhold the presumption when warranted. Indeed, this Court has already acknowledged the “extreme deference” accorded to how the Judges choose to conduct their

own proceedings. *See IPG II*, 792 F.3d at 138-39; *see also id.* at 138 n.4 (“The Board may impose discovery sanctions as a consequence of its statutory grant of authority to oversee discovery.”).

Multigroup Claimants instead contests (Br. 49) what it acknowledges is the Judges’ “fact based” determination that the presumption did not apply to their claims. The Judges withheld the presumption on two independent grounds: (1) IPG changed its name to Multigroup Claimants in part to avoid past rulings that had denied IPG a presumption of validity; and (2) IPG *in this proceeding* submitted inaccurate claims that were later assigned to Multigroup Claimants. Claims Ruling 10, 12 (A2567, A2569).

a. In prior proceedings, the Judges warned IPG that it could not assign claims to a related entity with a different name to prevent the Judges from considering IPG’s past conduct when deciding whether to apply the presumption of validity to IPG’s claims. *See* Claims Ruling 7 (A2564). The Judges explained that, “[g]iven the circumstances that have led to IPG’s loss of the ‘presumption of validity,’ such a transparent subterfuge could well constitute *fresh and sufficient evidence* to cast doubt on IPG’s representation, underscoring the need to place the burden on IPG to substantiate its claims.” *Id.* (quoting prior order).

IPG ignored that admonition and assigned its putative claims in these proceedings to Multigroup Claimants, a related entity that had been formed less than a month after the Judges published notice in the Federal Register announcing that they would begin proceedings to determine how to distribute cable and satellite license royalties. *See* Claims Ruling 2 (A2559) (noting that Multigroup Claimants was formed on January 20, 2015); 79 Fed. Reg. at 76,396 (A1052). Through that assignment, Multigroup Claimants “stepped into the shoes of IPG to represent claimants that had contracted with IPG to collect royalties on their behalf.” Claims Ruling 8 (A2565); *see* Multigroup Claimants’ Petition to Participate in Distribution of 2013 Satellite Royalty Funds, Doc. 724 (July 2, 2015) (A1435-44); Multigroup Claimants’ Petition to Participate in Distribution of 2013 Cable Royalty Funds, Doc. 3675 (July 2, 2015) (A1425-34); Multigroup Claimants’ Petition to Participate in Distribution of 2010-2012 Cable Royalty Funds, Doc. 1221 (Jan. 21, 2015) (A1055-82). The new entity is run by the same people who ran IPG. *See* Claims Ruling 8-9 (A2565-66); Br. 26 (“[T]he same individuals acting on behalf of IPG’s interests (including representatives and counsel) continued acting on behalf of Multigroup Claimants in these proceedings.”). And IPG’s assignment of claims to Multigroup Claimants bore “little resemblance to an arms-length transaction.” Claims Ruling 9 (A2566). The Judges did not err by

refusing to ignore that the new entity is run by the same individuals who ran a prior entity that had demonstrated a consistent pattern of conduct justifying the withholding of an evidentiary presumption of claim validity.

Multigroup Claimants contends that the Judges improperly withheld the presumption based on IPG's misconduct in prior proceedings. Br. 51; *see id.* at 24-29. But the Judges were plainly justified in refusing to accept at face value any certification by Multigroup Claimants or its predecessor IPG "of the veracity of the information contained in the claim and the good faith of the person signing in providing the information." 37 C.F.R. § 360.4(b)(1)(vi), (b)(2)(vi). Agencies, no less than courts, "are free to assume that past misconduct is highly suggestive of the likelihood of future violations."

Henrietta D. v. Bloomberg, 331 F.3d 261, 290 (2d Cir. 2003); *see, e.g., Jones Total Health Care Pharmacy, LLC v. DEA*, 881 F.3d 823, 831 (11th Cir. 2018) (*per curiam*) ("If a pharmacy has failed to comply with its responsibilities in the past, it makes sense for the agency to consider whether the pharmacy will change its behavior in the future."); *Alra Labs., Inc. v. DEA*, 54 F.3d 450, 452 (7th Cir. 1995) ("An agency rationally may conclude that past performance is the best predictor of future performance."); *SEC v. Savoy Indus., Inc.*, 587 F.2d 1149, 1168 (D.C. Cir. 1978) ("Zimmerman's past conduct is highly suggestive of his propensity to commit securities law violations and the likelihood that he

will commit such violations in the future.”). The Judges’ decision to withhold the evidentiary presumption after warning IPG in a prior proceeding that it could not evade the effect of its prior conduct by assigning IPG’s claims to an entity that differs from it in name only falls well within the “extreme deference” this Court grants to the Judges when conducting their own proceedings. *IPG II*, 792 F.3d at 138-39.

It makes no difference that the Judges never found that Multigroup Claimants tried to hide that its predecessor IPG was closely related and run by the same people. Contrary to its argument in this Court, Br. 27, Multigroup Claimants did seek to take “advantage of the ‘additional layer of agency’” it created by changing its name. It expressly invoked the fact of its different identity to distance itself from IPG. Multigroup Claimants argued that, even if IPG did not merit the presumption of claim validity, Multigroup Claimants did, on the theory that the name change alone required the Judges to ignore everything that had come before. The Judges reasonably rejected that argument. *See* Claims Ruling 13 (A2570).

Although Multigroup Claimants also repeatedly references separate proceedings in its brief (*see* Br. 20, 21, 22, 23, 24, 25, 26, 28, 32, 33, 36, 37, 38, 49, Addendum), those proceedings are not at issue on this appeal. *See id.* at 25 (“[A]s set forth in the Addendum hereto, when the time comes, IPG will be

able to make a compelling case for reversing that Consolidated Proceeding sanction.”). They are instead at issue in a different appeal pending in this Court. *See Independent Producers Grp. v. Copyright Royalty Board & Librarian of Congress*, No. 18-1337 (D.C. Cir.). This Court will have the opportunity to resolve any challenge to the Judges’ determinations in those separate proceedings in that case.

Multigroup Claimants contends that those proceedings matter in this appeal because, they urge, the Judges erred by withholding the presumption in those proceedings and relied on that error when doing the same in these proceedings. But that argument ignores the Judges’ separate decision to withhold the presumption based on IPG’s decision to submit claims for entities it does not represent in these proceedings and Multigroup Claimants’ refusal to correct the record. *See pp. 36-37, infra*. It disregards the Judges’ explanation that Multigroup Claimants could not simply change its name from IPG to avoid any connection to that entity’s prior conduct. *See Claims Ruling 7 (A2564)*. And it overlooks that the Judges had also withheld the evidentiary presumption in different prior proceedings that are already final after an appeal to this Court in *IPG II*. *See id.* at 5 (A2562). Even if the Judges erred by withholding the presumption in proceedings that are now on review in this

Court—and they did not—the Judges reasonably withheld the presumption in these proceedings.

b. Second, as the Judges expressly found, “IPG filed multiple claims for the claims years covered by these proceedings without the authorization of the claimants.” Claims Ruling 10 (A2567). Because IPG filed those errant claims for nine different claimants *in these proceedings* and then assigned the claims to Multigroup Claimants, the Judges appropriately withheld the presumption as to all of Multigroup Claimants’ claims and required Multigroup Claimants to prove that it in fact represented any claimants and that the claims were valid (a burden it could not meet).

Multigroup Claimants does not contest that the nine claimants had terminated their agreements authorizing IPG to pursue royalties on the claimants’ behalf. *See* Br. 30 (acknowledging the “notices of termination”). For royalty proceedings, “the Judges will honor a claimant’s expressed desire not to be represented by [a] putative claims representative.” Claims Ruling 11 n.23 (A2568 n.23). Those terminations precluded Multigroup Claimants from filing claims to recover royalties.

Multigroup Claimants faults (Br. 30) the Judges for failing to respect a contractual provision that supposedly “entitl[ed] IPG to collect unto infinity any claims arising during the ‘Term’ of the agreement” with copyright owners.

But the Judges explained that “it is not their role to enforce contract rights such as IPG’s asserted ‘post-Term collection right.’” Claims Ruling 11 n.23 (A2568 n.23). Instead, and consistent with this Court’s precedents, “participants must seek any remedies for an alleged breach of contract in a court of competent jurisdiction.” *Id.*; *see IPG I*, 759 F.3d at 108 (“[W]hatever IPG’s grievances with its former president or even with the alleged behavior of other parties, those are questions of corporate authority under state law for state court disposition. They are not the types of issues that fall within the Copyright Act’s reach or the Royalty Judges’ bailiwick.”); *Settling Devotional Claimants*, 797 F.3d at 1115-16.

Multigroup Claimants does not advance its argument by contending (Br. 30-31) that, for some of the entities, it stopped actively pursuing claims after initially seeking royalties. Multigroup Claimants should have corrected—and knew it was required to correct—the record by withdrawing claims when it knew that it had no authority to represent a claimant. As the Judges explained while citing two prior proceedings where IPG had failed to do so, parties have an “affirmative obligation to correct the claims record.” Claims Ruling 10 n.21 (A2567 n.21).

c. Multigroup Claimants’ argument (Br. 50-51) that the Judges’ decision to withhold the presumption of claim validity constituted a denial of

due process lacks merit. The Judges' decision could not have come as a surprise to Multigroup Claimants. Multigroup Claimants pursued its claims with full knowledge that the Judges applied a presumption of claim validity to all filers but that the presumption could be withheld if the Judges find that the filer has acted in bad faith in proceedings before the Judges or that one of the filer's claims included inaccurate information. The Judges had also previously warned IPG that it could not simply change its name to distance itself from that entity's prior conduct.

Moreover, the Judges' ruling on this question hardly came out of the blue. They issued their interlocutory ruling withholding the presumption from Multigroup Claimants' claims after the parties had fully briefed the issue. MPAA and the Joint Sports Claimants argued that the Judges should not afford Multigroup Claimants the presumption of claim validity. *See* MPAA Mot., Doc. 829, at 5-18 (Oct. 11, 2016) (A3012-25); MPAA Reply, Doc. 1000, at 4-15 (Nov. 15, 2016) (A1806-17); Joint Sports Claimants Mot., Doc. 746 (Oct. 11, 2016) (A2759-3004); Joint Sports Claimants Reply, Doc. 878, at 4, 13 (Nov. 15, 2016) (A3941, A3950). Multigroup Claimants argued in response that its "claims are entitled a presumption of validity," and stated that its "claims are based on a wealth of documents," including over 150 pages of attachments and exhibits. MGC Opp'n to MPAA Mot., Doc. 887, at 6-44, 73-

79 (Oct. 31, 2016) (A3467-3505, A3534-40); *see also* MGC Opp'n to Joint Sports Claimants Mot., Doc. 870 (Oct. 31, 2016) (A3722-3937). After reviewing the submissions, the Judges disagreed and withheld the presumption. Multigroup Claimants, in short, had ample notice and opportunity to argue its case.

It also bears emphasizing that the only consequence of withholding the presumption of validity was that Multigroup Claimants was required to demonstrate that it actually represented the copyright owners on whose behalf it was trying to collect royalties and that its claims were actually valid. Particularly given the zero-sum nature of royalty distribution proceedings, it is hardly a denial of due process for the Judges to require parties to show that they are, in fact, entitled to a share of the pie.

B. Multigroup Claimants errs by arguing that the Judges' evidentiary rulings show disparate treatment

Multigroup Claimants offers (Br. 12) a patchwork of assertions, mostly in its statement of facts, in an effort to demonstrate “disparate treatment” of the Joint Sports Claimants and MPAA on the one hand and Multigroup Claimants on the other. Those contentions do not address the Judges' decision to withhold the presumption of claim validity based on (1) Multigroup Claimants' attempt to shield itself from its predecessor IPG's past conduct; and (2) IPG's decision to submit unauthorized claims in these proceedings. They

instead address Multigroup Claimant's supposed harm from the presumption being withheld: Multigroup Claimants states (Br. 51-52) that "the dismissal of each and every Multigroup Claimants claim, and the dismissal of such claims from the 'sports programming' category, was predicated on the denial of the 'presumption of validity' of claims." As a result, if this Court rules that the Judges did not err when they withheld the presumption based on Multigroup Claimants' conduct, the orders on review may be affirmed without addressing Multigroup Claimants' disparate-treatment arguments.

Multigroup Claimants nonetheless cannot establish that the Judges acted arbitrarily and capriciously with their evidentiary rulings. *See Settling Devotional Claimants*, 797 F.3d at 1119-20 (rejecting the argument that alleged "disparate treatment" was arbitrary and capricious because the Judges offered a reasoned explanation for its evidentiary rulings). Each of the Judges' rulings is comfortably supported by the record. And that is especially so given the "extreme deference" accorded to how the Judges choose to conduct their own proceedings. *IPG II*, 792 F.3d at 138-39.

1. The Judges' denial of Multigroup Claimants' motions to compel

The Judges denied Multigroup Claimants' motion to compel the production of documents from MPAA. They ruled that MPAA did not improperly withhold discovery from Multigroup Claimants based on their

finding that MPAA “need not produce documents reflecting conflicting claims among MPAA-represented clients” because “any internecine dispute *among* a single claimant representative’s claimants has no relevance.” Order, Doc. 789, at 3-4 (Sept. 14, 2016) (A1593-94) (emphasis added). Although Multigroup Claimants contends (Br. 18) that its document requests required MPAA to produce any documents reflecting disputes among MPAA-represented claimants, the Judges reasonably concluded that any such dispute was immaterial and therefore irrelevant. “Whichever claimant prevails,” the Judges explained, “the funds will still be distributed to” MPAA as the claimant representative. Order, Doc. 789, at 4 (A1594).

Nor did the Judges improperly treat MPAA differently from Multigroup Claimants. MPAA has not engaged in similar conduct as IPG/Multigroup Claimants, and therefore has had the presumption of validity applied to its claims. Indeed, MPAA “produced fully-executed Representation Agreements with each of the MPAA-represented program suppliers.” Claims Ruling 6 n.12 (A2563 n.12). Unlike MPAA, which “presented evidence that call[ed] IPG’s authority into question,” Multigroup Claimants offered no evidence sufficient to undermine MPAA’s presumption of validity. *Id.* at 7 n.12 (A2564 n.12).²

² Multigroup Claimants again refers (Br. 21-23) to a ruling involving claims that are at issue in a separate appeal, No. 18-1337, in this Court. The

Multigroup Claimants also challenges (Br. 15-17) the Judges' decision to deny Multigroup Claimants' motion to compel production of documents from the Joint Sports Claimants. *See* Order, Doc. 734, at 5 (Sept. 14, 2016) (A1589). Although Multigroup Claimants asserts (Br. 16) that the Joint Sports Claimants used "purposely ambiguous identification of programming," that is incorrect. The Joint Sports Claimants submitted evidence identifying the programming it claimed, including the title of the programming, the category of the programming, the claimants (including individual colleges), and the particular royalty funds. *See* Joint Sports Claimants' Opposition to MGC's Mot. To Compel, Exs. 6-11 (July 28, 2016) (A1553-82). The Judges' conclusion that the evidence allowed them to identify the Joint Sports Claimants' programming, *see* Order, Doc. 734, at 5-6 (Sept. 14, 2016) (A1589-

Court will have the opportunity to address the merits of that appeal in different proceedings. We note, however, that the appeal in No. 18-1337 does not involve, as Multigroup Claimants contends (Br. 21), the Judges treating IPG/Multigroup Claimants differently from MPAA in "identical circumstances." *See* Mem. Op. & Ruling on Validity & Categorization of Claims 44, Dkt. Nos. 2012-6 CRB CD 2004-09, 2012-7 CRB SD 1999-2009 (Mar. 13, 2015) ("Not only has IPG failed to distinguish the fund category to compensate copyright owners for the programs, IPG has failed to identify with clarity which fund year is at issue. IPG seeks to explain duplicate or triplicate claimants for a single title by asserting that they reflect claims for more than one royalty year. IPG has, metaphorically, tossed a hopelessly tangled skein of yarn in the midst of the Judges and participants and told them to make a sweater.").

60), does not demonstrate that Multigroup Claimants received disparate treatment during these proceedings.

2. The Judges' rulings in the sports category

In prior proceedings before the Judges, IPG failed to establish “that FIFA owned the copyright to any retransmitted sports programs.” Claims Ruling 45 (A2602). Even if IPG could make such a showing, IPG never demonstrated that it “had the right to represent FIFA.” *Id.* For these proceedings, Multigroup Claimants resubmitted the same evidence that the Judges had already deemed insufficient to establish FIFA’s copyright ownership and, based on their evaluation of that evidence, the Judges reasonably concluded that Multigroup Claimants “ha[d] failed to remedy the shortcomings in its documentation.” *Id.* at 46 (A2603). The Judges also applied their rule that it “will not force a claimant to accept the representation of a party in [Board] proceedings against the claimant’s will,” *id.* at 17 (A2574), *see* 37 C.F.R. § 351.1(b)(2)(ii); found that FIFA had already “repudiated the right of IPG or its counsel to represent FIFA,” Claims Ruling 46 (A2603); and concluded that neither IPG nor Multigroup Claimants “produced any evidence that FIFA has retained either entity to represent its interests in these proceedings,” *id.* The Judges separately concluded that Multigroup Claimants failed to establish “that the FIFA programs are

compensable from the sports programming category” because Multigroup Claimants did not demonstrate that any of the programs were live telecasts of a professional or collegiate team sports event on a U.S. broadcast station. *Id.* at 47 (A2604).

Multigroup Claimants challenges (Br. 36-37) the Judges’ ability to determine whether FIFA could prevent Multigroup Claimants’ predecessor, IPG, from representing FIFA during royalty proceedings. But this Court’s decision in *IPG II* forecloses that challenge. In that case, the Court ruled that the Judges had acted reasonably when they excluded several IPG exhibits in response to a “blatant” violation of a discovery order that “plainly required IPG to produce evidence that might undermine its assertion of authority to represent FIFA,” including documents showing that FIFA had repudiated any agreement with IPG. *IPG II*, 792 F.3d at 138-39; *see* Claims Ruling 45 n.87 (A2602 n.87). This Court would not have described that evidence as “relevant” and “prejudicial” if, as Multigroup Claimants contends, it is immaterial. *See IPG II*, 792 F.3d at 139. The Judges did not act arbitrarily and capriciously by again relying on FIFA’s refusal to allow IPG (and thus Multigroup Claimants) to represent it in royalty distribution proceedings.

There is no dispute that FIFA unequivocally informed IPG that FIFA did not authorize it to pursue FIFA’s claims before the Judges. *See* Claims

Ruling 16 (A2573). As IPG did in this Court in *IPG II*, Multigroup Claimants cites (Br. 37-38) litigation in California where IPG and FIFA have engaged in a years-long dispute over whether IPG ever had an enforceable contract with FIFA. *See* IPG Reply Br. at 47-48, *IPG II*, *supra*, No. 13-1274, 2014 WL 5018893. This Court did not reference that litigation in *IPG II*, with good reason: The resolution of that dispute has no bearing on the separate issue whether FIFA may refuse to allow another entity to represent it before the Judges. Besides, a jury determined that IPG and FIFA never entered into a contract allowing IPG to collect FIFA's royalties, the district court denied IPG's motion for judgment as a matter of law or, in the alternative, a new trial, and the Ninth Circuit has since affirmed the judgment. *See Worldwide Subsidy Grp., LLC v. FIFA*, No. 18-56033, 2019 WL 2419486 (9th Cir. June 10, 2019). Regardless of the outcome of those proceedings, however, the Judges reasonably applied their rule that a copyright owner may prevent a separate entity from pursuing royalties on its behalf.

Multigroup Claimants also repeats (Br. 38-39) its argument from the *IPG II* proceedings that it established FIFA's ownership over World Cup retransmission broadcasts. This Court need not reach that issue if it agrees with the Judges that Multigroup Claimants cannot seek royalties for FIFA's claims when FIFA does not consent to Multigroup Claimants' representation.

As the Judges noted in a prior decision, however, FIFA has questioned whether it owns the right to receive royalties from the retransmission of World Cup telecasts during one of the several times it informed IPG that IPG had no authority to represent FIFA before the Board. *See* Claims Order 12 n.14 (Mar. 21, 2013) (located at p. 3183 of the Joint Appendix in *IPG II*); MGC Opp'n to Joint Sports Claimants Mot., Doc. 870, Ex. B (Oct. 31, 2016) (A3557-75). The Judges appropriately concluded that Multigroup Claimants did not establish a right to receive royalties when FIFA itself was previously unsure whether it even had a right to those retransmission royalties and refused to allow Multigroup Claimants to seek royalties for those claims.

Nor did the Judges act arbitrarily and capriciously when they determined that the programs for which Multigroup Claimants seek royalties on behalf of FIFA are not compensable in the sports category. Sports programming royalties are allocated for “[l]ive telecasts of professional and college team sports broadcast by U.S. and Canadian television stations, except programs in the Canadian Claimants category.” Order, Doc. 666, Ex. A (Nov. 25, 2015) (A1466). The Canadian Claimants category, in turn, includes “[a]ll programs broadcast on Canadian television stations, except: (1) live telecasts of Major League Baseball, National Hockey League, and U.S. college team sports, and (2) programs owned by U.S. copyright owners.” *Id.* Although Multigroup

Claimants asserts (Br. 39) that the FIFA broadcasts “fell into the category of ‘sports programming,’” several of the program titles on their face indicate that they were not live broadcasts. *See* Claims Ruling 78 (A2635) (listing 2010 FIFA World Cup Magazine, FIFA U-20 World Cup Preview Show, Preview 2007: FIFA Women’s World Cup on CBC, and World Cup Soccer: Highlights). Other program titles with generic descriptions likewise fail to demonstrate whether they refer to live game telecasts or non-compensable programming. *See id.* (Copa Mundial 2006, Copa Mundial 2006: El Sorteo). The Judges acted within their discretion by ruling that Multigroup Claimants failed to carry its burden to demonstrate a right to royalties when the programs do not indicate that they are compensable in the sports programming category.

Multigroup Claimants’ challenge to the Judges’ dismissal of its claims on behalf of Azteca International Corporation (Azteca) fares no better. Although the Judges ruled that Multigroup Claimants could represent Azteca in the royalty proceedings, Claims Ruling 24-26 (A2581-83), the Judges could not “ascertain the nature of the Azteca programming because the titles are listed in Spanish and are presented without the requisite English translation, let alone any description of the contents of the listed programs,” *id.* at 49 (A2606). The translation rule requires claimants to “accompany each submission that is in a language other than English with an English-language translation, duly

verified under oath to be a true translation.” 37 C.F.R. § 350.6(c). The purpose of that rule “is not to gratuitously require translation of titles,” Br. 41, but instead allows the Judges to decide whether the program titles qualify in the sports programming category. Several of the programs for which Multigroup Claimants seeks royalties, moreover, do not appear to be “[l]ive telecasts of professional and college *team* sports broadcast by U.S. and Canadian television stations, except programs in the Canadian Claimants category.” Order, Doc. 666, Ex. A (A1466) (emphasis added); *see* MGC Opp’n to Joint Sports Claimants Mot., Doc. 870, Ex. D (Oct. 31, 2016) (A3912, A3919, A3921) (listing as “Deportes” programming “Tragedias del deporte,” “Box Azteca,” and “Especial Box Azteca”). Because Multigroup Claimants sought royalties without providing a translation or a description of the contents of the listed programs, the Judges reasonably determined that Multigroup Claimants had not shown that it was entitled to receive royalties in the sports programming category.

3. The Judges’ rulings in the program suppliers category

The Judges found that Multigroup Claimants “fail[ed] to produce sufficient evidence” that Azteca owned or controlled scores of programs in the program suppliers category, precluding Multigroup Claimants from recovering royalties. Claims Ruling 40 (A2597); *see id.* at 63-77 (A2620-34). In one

sentence in its argument section, Multigroup Claimants contends (Br. 52) that the Judges erred in dismissing those claims. Because Multigroup Claimants offers only a cursory statement, it has forfeited any argument that the Judges erred. The record supports the Judges' decision in any event. During the proceedings, MPAA created an appendix listing program titles that, it asserted, Azteca did not own or control. Instead of contesting MPAA's argument, Multigroup Claimants stated that "[a]ddressing the accuracy" of the appendix "is largely a moot exercise," but "note[d] that it is clearly not what it purports to be." MGC Opp'n to MPAA Mot., Doc. 887, at 87-88 (Oct. 31, 2016) (A3548-49). In the face of that cryptic non-response, the Judges reasonably concluded that MPAA's challenge to Azteca's ownership and control "is essentially uncontroverted" and dismissed any claims by Multigroup Claimants to those programs. Claims Ruling 40 (A2597).³

³ Multigroup Claimants also references (Br. 45-46) a footnote in the Claims Ruling where the Judges concluded that the following email sent to Raul Galaz did not establish that an Azteca entity owned or controlled programs listed in an attachment to the email: "Enclosed are the revised files. Please let me know if you have any questions or comments." Claims Ruling 40 n.79 (A2597 n.79). As the Judges explained, "[t]he email says *nothing* concerning those 'revised files, or the lists they contain—much less that they are programs that [the Azteca entity] owns or controls.'" *Id.* Multigroup Claimants notes (Br. 46) that the exhibit was described by Raul Galaz as including "TV Azteca program claims," but the Judges were not required to accept Galaz's own self-interested say-so as establishing TV Azteca's ownership and control, particularly where Multigroup Claimants refused to

CONCLUSION

Multigroup Claimants' appeal should be dismissed for lack of jurisdiction. If this Court determines that it has jurisdiction, the Copyright Royalty Judges' orders on review should be affirmed.

Respectfully submitted,

JOSEPH H. HUNT

Assistant Attorney General

MARK R. FREEMAN

/s/Martin Totaro

MARTIN TOTARO

Attorneys, Appellate Staff

Civil Division, Room 7513

U.S. Department of Justice

950 Pennsylvania Avenue NW

Washington, DC 20530

(202) 616-5374

martin.totaro@usdoj.gov

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even address MPAA's appendix listing program titles that, MPAA contended, Azteca did not own or control.

CERTIFICATE OF COMPLIANCE

This brief complies with the type-volume limit of Federal Rule of Appellate Procedure 32(a)(7)(B) because it contains 10,714 words. This brief also complies with the typeface and type-style requirements of Federal Rule of Appellate Procedure 32(a)(5)-(6) because it was prepared using Microsoft Word 2016 in Calisto MT 14-point font, a proportionally spaced typeface.

/s/Martin Totaro

MARTIN TOTARO

CERTIFICATE OF SERVICE

I hereby certify that on August 14, 2019, I electronically filed the foregoing brief with the Clerk of the Court for the United States Court of Appeals for the District of Columbia Circuit by using the appellate CM/ECF system. Participants in the case are registered CM/ECF users, and service will be accomplished by the appellate CM/ECF system.

/s/Martin Totaro

Martin Totaro

ADDENDUM

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17 U.S.C. § 803**§ 803. Proceedings of Copyright Royalty Judges****(a) Proceedings.—**

(1) In general.—The Copyright Royalty Judges shall act in accordance with this title, and to the extent not inconsistent with this title, in accordance with subchapter II of chapter 5 of title 5, in carrying out the purposes set forth in section 801. The Copyright Royalty Judges shall act in accordance with regulations issued by the Copyright Royalty Judges and the Librarian of Congress, and on the basis of a written record, prior determinations and interpretations of the Copyright Royalty Tribunal, Librarian of Congress, the Register of Copyrights, copyright arbitration royalty panels (to the extent those determinations are not inconsistent with a decision of the Librarian of Congress or the Register of Copyrights), and the Copyright Royalty Judges (to the extent those determinations are not inconsistent with a decision of the Register of Copyrights that was timely delivered to the Copyright Royalty Judges pursuant to section 802(f)(1)(A) or (B), or with a decision of the Register of Copyrights pursuant to section 802(f)(1)(D)), under this chapter, and decisions of the court of appeals under this chapter before, on, or after the effective date of the Copyright Royalty and Distribution Reform Act of 2004.

(2) Judges acting as panel and individually.—The Copyright Royalty Judges shall preside over hearings in proceedings under this chapter en banc. The Chief Copyright Royalty Judge may designate a Copyright Royalty Judge to preside individually over such collateral and administrative proceedings, and over such proceedings under paragraphs (1) through (5) of subsection (b), as the Chief Judge considers appropriate.

(3) Determinations.—Final determinations of the Copyright Royalty Judges in proceedings under this chapter shall be made by majority vote. A Copyright Royalty Judge dissenting from the majority on any determination under this chapter may issue his or her dissenting opinion, which shall be included with the determination.

(b) Procedures.—**(1) Initiation.—****(A) Call for petitions to participate.—**

(i) The Copyright Royalty Judges shall cause to be published in the Federal Register notice of commencement of proceedings under this

chapter, calling for the filing of petitions to participate in a proceeding under this chapter for the purpose of making the relevant determination under section 111, 112, 114, 115, 116, 118, 119, 1004, or 1007, as the case may be—

(I) promptly upon a determination made under section 804(a);

(II) by no later than January 5 of a year specified in paragraph (2) of section 804(b) for the commencement of proceedings;

(III) by no later than January 5 of a year specified in subparagraph (A) or (B) of paragraph (3) of section 804(b) for the commencement of proceedings, or as otherwise provided in subparagraph (A) or (C) of such paragraph for the commencement of proceedings;

(IV) as provided under section 804(b)(8); or

(V) by no later than January 5 of a year specified in any other provision of section 804(b) for the filing of petitions for the commencement of proceedings, if a petition has not been filed by that date, except that the publication of notice requirement shall not apply in the case of proceedings under section 111 that are scheduled to commence in 2005.

(ii) Petitions to participate shall be filed by no later than 30 days after publication of notice of commencement of a proceeding under clause (i), except that the Copyright Royalty Judges may, for substantial good cause shown and if there is no prejudice to the participants that have already filed petitions, accept late petitions to participate at any time up to the date that is 90 days before the date on which participants in the proceeding are to file their written direct statements. Notwithstanding the preceding sentence, petitioners whose petitions are filed more than 30 days after publication of notice of commencement of a proceeding are not eligible to object to a settlement reached during the voluntary negotiation period under paragraph (3), and any objection filed by such a petitioner shall not be taken into account by the Copyright Royalty Judges.

(B) Petitions to participate.—Each petition to participate in a proceeding shall describe the petitioner's interest in the subject matter of the proceeding. Parties with similar interests may file a single petition to participate.

(2) Participation in general.—Subject to paragraph (4), a person may participate in a proceeding under this chapter, including through the submission of briefs or other information, only if—

(A) that person has filed a petition to participate in accordance with paragraph (1) (either individually or as a group under paragraph (1)(B));

(B) the Copyright Royalty Judges have not determined that the petition to participate is facially invalid;

(C) the Copyright Royalty Judges have not determined, sua sponte or on the motion of another participant in the proceeding, that the person lacks a significant interest in the proceeding; and

(D) the petition to participate is accompanied by either—

(i) in a proceeding to determine royalty rates, a filing fee of \$150; or

(ii) in a proceeding to determine distribution of royalty fees—

(I) a filing fee of \$150; or

(II) a statement that the petitioner (individually or as a group) will not seek a distribution of more than \$1000, in which case the amount distributed to the petitioner shall not exceed \$1000.

(3) Voluntary negotiation period.—

(A) Commencement of proceedings.—

(i) Rate adjustment proceeding.—Promptly after the date for filing of petitions to participate in a proceeding, the Copyright Royalty Judges shall make available to all participants in the proceeding a list of such participants and shall initiate a voluntary negotiation period among the participants.

(ii) Distribution proceeding.—Promptly after the date for filing of petitions to participate in a proceeding to determine the distribution of royalties, the Copyright Royalty Judges shall make available to all participants in the proceeding a list of such participants. The initiation of a voluntary negotiation period among the participants shall be set at a time determined by the Copyright Royalty Judges.

(B) Length of proceedings.—The voluntary negotiation period initiated under subparagraph (A) shall be 3 months.

(C) Determination of subsequent proceedings.—At the close of the voluntary negotiation proceedings, the Copyright Royalty Judges shall, if

further proceedings under this chapter are necessary, determine whether and to what extent paragraphs (4) and (5) will apply to the parties.

(4) Small claims procedure in distribution proceedings.—

(A) In general.—If, in a proceeding under this chapter to determine the distribution of royalties, the contested amount of a claim is \$10,000 or less, the Copyright Royalty Judges shall decide the controversy on the basis of the filing of the written direct statement by the participant, the response by any opposing participant, and 1 additional response by each such party.

(B) Bad faith inflation of claim.—If the Copyright Royalty Judges determine that a participant asserts in bad faith an amount in controversy in excess of \$10,000 for the purpose of avoiding a determination under the procedure set forth in subparagraph (A), the Copyright Royalty Judges shall impose a fine on that participant in an amount not to exceed the difference between the actual amount distributed and the amount asserted by the participant.

(5) Paper proceedings.—The Copyright Royalty Judges in proceedings under this chapter may decide, sua sponte or upon motion of a participant, to determine issues on the basis of the filing of the written direct statement by the participant, the response by any opposing participant, and one additional response by each such participant. Prior to making such decision to proceed on such a paper record only, the Copyright Royalty Judges shall offer to all parties to the proceeding the opportunity to comment on the decision. The procedure under this paragraph—

(A) shall be applied in cases in which there is no genuine issue of material fact, there is no need for evidentiary hearings, and all participants in the proceeding agree in writing to the procedure; and

(B) may be applied under such other circumstances as the Copyright Royalty Judges consider appropriate.

(6) Regulations.—

(A) In general.—The Copyright Royalty Judges may issue regulations to carry out their functions under this title. All regulations issued by the Copyright Royalty Judges are subject to the approval of the Librarian of Congress and are subject to judicial review pursuant to chapter 7 of title 5, except as set forth in subsection (d). Not later than 120 days after Copyright Royalty Judges or interim Copyright Royalty Judges, as the

case may be, are first appointed after the enactment of the Copyright Royalty and Distribution Reform Act of 2004, such judges shall issue regulations to govern proceedings under this chapter.

(B) Interim regulations.—Until regulations are adopted under subparagraph (A), the Copyright Royalty Judges shall apply the regulations in effect under this chapter on the day before the effective date of the Copyright Royalty and Distribution Reform Act of 2004, to the extent such regulations are not inconsistent with this chapter, except that functions carried out under such regulations by the Librarian of Congress, the Register of Copyrights, or copyright arbitration royalty panels that, as of such date of enactment, are to be carried out by the Copyright Royalty Judges under this chapter, shall be carried out by the Copyright Royalty Judges under such regulations.

(C) Requirements.—Regulations issued under subparagraph (A) shall include the following:

(i) The written direct statements and written rebuttal statements of all participants in a proceeding under paragraph (2) shall be filed by a date specified by the Copyright Royalty Judges, which, in the case of written direct statements, may be not earlier than 4 months, and not later than 5 months, after the end of the voluntary negotiation period under paragraph (3). Notwithstanding the preceding sentence, the Copyright Royalty Judges may allow a participant in a proceeding to file an amended written direct statement based on new information received during the discovery process, within 15 days after the end of the discovery period specified in clause (iv).

(ii)(I) Following the submission to the Copyright Royalty Judges of written direct statements and written rebuttal statements by the participants in a proceeding under paragraph (2), the Copyright Royalty Judges, after taking into consideration the views of the participants in the proceeding, shall determine a schedule for conducting and completing discovery.

(II) In this chapter, the term “written direct statements” means witness statements, testimony, and exhibits to be presented in the proceedings, and such other information that is necessary to establish terms and rates, or the distribution of royalty payments, as the case may be, as set forth in regulations issued by the Copyright Royalty Judges.

(iii) Hearsay may be admitted in proceedings under this chapter to the extent deemed appropriate by the Copyright Royalty Judges.

(iv) Discovery in connection with written direct statements shall be permitted for a period of 60 days, except for discovery ordered by the Copyright Royalty Judges in connection with the resolution of motions, orders, and disputes pending at the end of such period. The Copyright Royalty Judges may order a discovery schedule in connection with written rebuttal statements.

(v) Any participant under paragraph (2) in a proceeding under this chapter to determine royalty rates may request of an opposing participant nonprivileged documents directly related to the written direct statement or written rebuttal statement of that participant. Any objection to such a request shall be resolved by a motion or request to compel production made to the Copyright Royalty Judges in accordance with regulations adopted by the Copyright Royalty Judges. Each motion or request to compel discovery shall be determined by the Copyright Royalty Judges, or by a Copyright Royalty Judge when permitted under subsection (a)(2). Upon such motion, the Copyright Royalty Judges may order discovery pursuant to regulations established under this paragraph.

(vi)(I) Any participant under paragraph (2) in a proceeding under this chapter to determine royalty rates may, by means of written motion or on the record, request of an opposing participant or witness other relevant information and materials if, absent the discovery sought, the Copyright Royalty Judges' resolution of the proceeding would be substantially impaired. In determining whether discovery will be granted under this clause, the Copyright Royalty Judges may consider—

(aa) whether the burden or expense of producing the requested information or materials outweighs the likely benefit, taking into account the needs and resources of the participants, the importance of the issues at stake, and the probative value of the requested information or materials in resolving such issues;

(bb) whether the requested information or materials would be unreasonably cumulative or duplicative, or are obtainable from another source that is more convenient, less burdensome, or less expensive; and

(cc) whether the participant seeking discovery has had ample opportunity by discovery in the proceeding or by other means to obtain the information sought.

(II) This clause shall not apply to any proceeding scheduled to commence after December 31, 2010.

(vii) In a proceeding under this chapter to determine royalty rates, the participants entitled to receive royalties shall collectively be permitted to take no more than 10 depositions and secure responses to no more than 25 interrogatories, and the participants obligated to pay royalties shall collectively be permitted to take no more than 10 depositions and secure responses to no more than 25 interrogatories. The Copyright Royalty Judges shall resolve any disputes among similarly aligned participants to allocate the number of depositions or interrogatories permitted under this clause.

(viii) The rules and practices in effect on the day before the effective date of the Copyright Royalty and Distribution Reform Act of 2004, relating to discovery in proceedings under this chapter to determine the distribution of royalty fees, shall continue to apply to such proceedings on and after such effective date.

(ix) In proceedings to determine royalty rates, the Copyright Royalty Judges may issue a subpoena commanding a participant or witness to appear and give testimony, or to produce and permit inspection of documents or tangible things, if the Copyright Royalty Judges' resolution of the proceeding would be substantially impaired by the absence of such testimony or production of documents or tangible things. Such subpoena shall specify with reasonable particularity the materials to be produced or the scope and nature of the required testimony. Nothing in this clause shall preclude the Copyright Royalty Judges from requesting the production by a nonparticipant of information or materials relevant to the resolution by the Copyright Royalty Judges of a material issue of fact.

(x) The Copyright Royalty Judges shall order a settlement conference among the participants in the proceeding to facilitate the presentation of offers of settlement among the participants. The settlement conference shall be held during a 21-day period following the 60-day discovery period specified in clause (iv) and shall take place outside the presence of the Copyright Royalty Judges.

(xi) No evidence, including exhibits, may be submitted in the written direct statement or written rebuttal statement of a participant without a sponsoring witness, except where the Copyright Royalty Judges have taken official notice, or in the case of incorporation by reference of past records, or for good cause shown.

(c) Determination of Copyright Royalty Judges.—

(1) Timing.—The Copyright Royalty Judges shall issue their determination in a proceeding not later than 11 months after the conclusion of the 21-day settlement conference period under subsection (b)(6)(C)(x), but, in the case of a proceeding to determine successors to rates or terms that expire on a specified date, in no event later than 15 days before the expiration of the then current statutory rates and terms.

(2) Rehearings.—

(A) In general.—The Copyright Royalty Judges may, in exceptional cases, upon motion of a participant in a proceeding under subsection (b)(2), order a rehearing, after the determination in the proceeding is issued under paragraph (1), on such matters as the Copyright Royalty Judges determine to be appropriate.

(B) Timing for filing motion.—Any motion for a rehearing under subparagraph (A) may only be filed within 15 days after the date on which the Copyright Royalty Judges deliver to the participants in the proceeding their initial determination.

(C) Participation by opposing party not required.—In any case in which a rehearing is ordered, any opposing party shall not be required to participate in the rehearing, except that nonparticipation may give rise to the limitations with respect to judicial review provided for in subsection (d)(1).

(D) No negative inference.—No negative inference shall be drawn from lack of participation in a rehearing.

(E) Continuity of rates and terms.—

(i) If the decision of the Copyright Royalty Judges on any motion for a rehearing is not rendered before the expiration of the statutory rates and terms that were previously in effect, in the case of a proceeding to determine successors to rates and terms that expire on a specified date, then—

(I) the initial determination of the Copyright Royalty Judges that is the subject of the rehearing motion shall be effective as of the day following the date on which the rates and terms that were previously in effect expire; and

(II) in the case of a proceeding under section 114(f)(1)(C), royalty rates and terms shall, for purposes of section 114(f)(3)(B), be deemed to have been set at those rates and terms contained in the initial determination of the Copyright Royalty Judges that is the subject of the rehearing motion, as of the date of that determination.

(ii) The pendency of a motion for a rehearing under this paragraph shall not relieve persons obligated to make royalty payments who would be affected by the determination on that motion from providing the statements of account and any reports of use, to the extent required, and paying the royalties required under the relevant determination or regulations.

(iii) Notwithstanding clause (ii), whenever royalties described in clause (ii) are paid to a person other than the Copyright Office, the entity designated by the Copyright Royalty Judges to which such royalties are paid by the copyright user (and any successor thereto) shall, within 60 days after the motion for rehearing is resolved or, if the motion is granted, within 60 days after the rehearing is concluded, return any excess amounts previously paid to the extent necessary to comply with the final determination of royalty rates by the Copyright Royalty Judges. Any underpayment of royalties resulting from a rehearing shall be paid within the same period.

(3) Contents of determination.—A determination of the Copyright Royalty Judges shall be supported by the written record and shall set forth the findings of fact relied on by the Copyright Royalty Judges. Among other terms adopted in a determination, the Copyright Royalty Judges may specify notice and recordkeeping requirements of users of the copyrights at issue that apply in lieu of those that would otherwise apply under regulations.

(4) Continuing jurisdiction.—The Copyright Royalty Judges may issue an amendment to a written determination to correct any technical or clerical errors in the determination or to modify the terms, but not the rates, of royalty payments in response to unforeseen circumstances that would frustrate the proper implementation of such determination. Such

amendment shall be set forth in a written addendum to the determination that shall be distributed to the participants of the proceeding and shall be published in the Federal Register.

(5) Protective order.—The Copyright Royalty Judges may issue such orders as may be appropriate to protect confidential information, including orders excluding confidential information from the record of the determination that is published or made available to the public, except that any terms or rates of royalty payments or distributions may not be excluded.

(6) Publication of determination.—By no later than the end of the 60-day period provided in section 802(f)(1)(D), the Librarian of Congress shall cause the determination, and any corrections thereto, to be published in the Federal Register. The Librarian of Congress shall also publicize the determination and corrections in such other manner as the Librarian considers appropriate, including, but not limited to, publication on the Internet. The Librarian of Congress shall also make the determination, corrections, and the accompanying record available for public inspection and copying.

(7) Late payment.—A determination of the Copyright Royalty Judges may include terms with respect to late payment, but in no way shall such terms prevent the copyright holder from asserting other rights or remedies provided under this title.

(d) Judicial review.—

(1) Appeal.—Any determination of the Copyright Royalty Judges under subsection (c) may, within 30 days after the publication of the determination in the Federal Register, be appealed, to the United States Court of Appeals for the District of Columbia Circuit, by any aggrieved participant in the proceeding under subsection (b)(2) who fully participated in the proceeding and who would be bound by the determination. Any participant that did not participate in a rehearing may not raise any issue that was the subject of that rehearing at any stage of judicial review of the hearing determination. If no appeal is brought within that 30-day period, the determination of the Copyright Royalty Judges shall be final, and the royalty fee or determination with respect to the distribution of fees, as the case may be, shall take effect as set forth in paragraph (2).

(2) Effect of rates.—

(A) Expiration on specified date.—When this title provides that the royalty rates and terms that were previously in effect are to expire on a

specified date, any adjustment or determination by the Copyright Royalty Judges of successor rates and terms for an ensuing statutory license period shall be effective as of the day following the date of expiration of the rates and terms that were previously in effect, even if the determination of the Copyright Royalty Judges is rendered on a later date. A licensee shall be obligated to continue making payments under the rates and terms previously in effect until such time as rates and terms for the successor period are established. Whenever royalties pursuant to this section are paid to a person other than the Copyright Office, the entity designated by the Copyright Royalty Judges to which such royalties are paid by the copyright user (and any successor thereto) shall, within 60 days after the final determination of the Copyright Royalty Judges establishing rates and terms for a successor period or the exhaustion of all rehearings or appeals of such determination, if any, return any excess amounts previously paid to the extent necessary to comply with the final determination of royalty rates. Any underpayment of royalties by a copyright user shall be paid to the entity designated by the Copyright Royalty Judges within the same period.

(B) Other cases.—In cases where rates and terms have not, prior to the inception of an activity, been established for that particular activity under the relevant license, such rates and terms shall be retroactive to the inception of activity under the relevant license covered by such rates and terms. In other cases where rates and terms do not expire on a specified date, successor rates and terms shall take effect on the first day of the second month that begins after the publication of the determination of the Copyright Royalty Judges in the Federal Register, except as otherwise provided in this title, or by the Copyright Royalty Judges, or as agreed by the participants in a proceeding that would be bound by the rates and terms. Except as otherwise provided in this title, the rates and terms, to the extent applicable, shall remain in effect until such successor rates and terms become effective.

(C) Obligation to make payments.—

(i) The pendency of an appeal under this subsection shall not relieve persons obligated to make royalty payments under section 111, 112, 114, 115, 116, 118, 119, or 1003, who would be affected by the determination on appeal, from—

(I) providing the applicable statements of account and reports of use;
and

(II) paying the royalties required under the relevant determination or regulations.

(ii) Notwithstanding clause (i), whenever royalties described in clause (i) are paid to a person other than the Copyright Office, the entity designated by the Copyright Royalty Judges to which such royalties are paid by the copyright user (and any successor thereto) shall, within 60 days after the final resolution of the appeal, return any excess amounts previously paid (and interest thereon, if ordered pursuant to paragraph (3)) to the extent necessary to comply with the final determination of royalty rates on appeal. Any underpayment of royalties resulting from an appeal (and interest thereon, if ordered pursuant to paragraph (3)) shall be paid within the same period.

(3) Jurisdiction of court.—Section 706 of title 5 shall apply with respect to review by the court of appeals under this subsection. If the court modifies or vacates a determination of the Copyright Royalty Judges, the court may enter its own determination with respect to the amount or distribution of royalty fees and costs, and order the repayment of any excess fees, the payment of any underpaid fees, and the payment of interest pertaining respectively thereto, in accordance with its final judgment. The court may also vacate the determination of the Copyright Royalty Judges and remand the case to the Copyright Royalty Judges for further proceedings in accordance with subsection (a).

(e) Administrative matters.—

(1) Deduction of costs of Library of Congress and Copyright Office from filing fees.—

(A) Deduction from filing fees.—The Librarian of Congress may, to the extent not otherwise provided under this title, deduct from the filing fees collected under subsection (b) for a particular proceeding under this chapter the reasonable costs incurred by the Librarian of Congress, the Copyright Office, and the Copyright Royalty Judges in conducting that proceeding, other than the salaries of the Copyright Royalty Judges and the 3 staff members appointed under section 802(b).

(B) Authorization of appropriations.—There are authorized to be appropriated such sums as may be necessary to pay the costs incurred under this chapter not covered by the filing fees collected under subsection (b). All funds made available pursuant to this subparagraph shall remain available until expended.

(2) Positions required for administration of compulsory licensing.—Section 307 of the Legislative Branch Appropriations Act, 1994, shall not apply to employee positions in the Library of Congress that are required to be filled in order to carry out section 111, 112, 114, 115, 116, 118, or 119 or chapter 10.

37 C.F.R. § 350.6

§ 350.6. Filing and delivery.

(a) Filing of pleadings—

(1) Electronic filing through eCRB. Except as described in § 350.5(l)(2), any document filed by electronic means through eCRB in accordance with § 350.5 constitutes filing for all purposes under this chapter, effective as of the date and time the document is received and timestamped by eCRB.

(2) All other filings. For all filings not submitted by electronic means through eCRB, the submitting party must deliver an original, five paper copies, and one electronic copy in Portable Document Format (PDF) on an optical data storage medium such as a CD or DVD, a flash memory device, or an external hard disk drive to the Copyright Royalty Board in accordance with the provisions described in § 301.2 of this chapter. In no case will the Copyright Royalty Board accept any document by facsimile transmission or electronic mail, except with prior express authorization of the Copyright Royalty Judges.

(b) Exhibits. Filers must include all exhibits with the pleadings they support. In the case of exhibits not submitted by electronic means through eCRB, whose bulk or whose cost of reproduction would unnecessarily encumber the record or burden the party, the Copyright Royalty Judges will consider a motion, made in advance of the filing, to reduce the number of required copies. See § 350.5(j).

(c) English language translations. Filers must accompany each submission that is in a language other than English with an English-language translation, duly verified under oath to be a true translation. Any other party to the proceeding may, in response, submit its own English-language translation, similarly verified, so long as the responding party's translation proves a substantive, relevant difference in the document.

(d) Affidavits. The testimony of each witness must be accompanied by an affidavit or a declaration made pursuant to 28 U.S.C. 1746 supporting the testimony. See § 350.5(f).

(e) Subscription—

(1) Parties represented by counsel. Subject to § 350.5(e), all documents filed electronically by counsel must be signed by at least one attorney of record and must list the attorney's full name, mailing address, email address (if any), telephone number, and a state bar identification number. See § 350.5(e). Submissions signed by an attorney for a party need not be verified or accompanied by an affidavit. The signature of an attorney constitutes certification that the contents of the document are true and correct, to the best of the signer's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances and:

(i) The document is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation;

(ii) The claims, defenses, and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;

(iii) The allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and

(iv) The denials of factual contentions are warranted by the evidence or, if specifically so identified, are reasonably based on a lack of information or belief.

(2) Parties representing themselves. The original of all paper documents filed by a party not represented by counsel must be signed by that party and list that party's full name, mailing address, email address (if any), and telephone number. The party's signature will constitute the party's certification that, to the best of his or her knowledge and belief, there is good ground to support the document, and that it has not been interposed for purposes of delay.

(f) Responses and replies. Responses in support of or opposition to motions must be filed within ten days of the filing of the motion. Replies to responses must be filed within five days of the filing of the response.

(g) Participant list. The Copyright Royalty Judges will compile and distribute to those parties who have filed a valid petition to participate the official participant list for each proceeding, including each participant's mailing address, email address, and whether the participant is using the eCRB system for filing and receipt of documents in the proceeding. For all paper filings, a party must deliver a copy of the document to counsel for all other parties identified in the participant list, or, if the party is unrepresented by counsel, to the party itself. Parties must notify the Copyright Royalty Judges and all parties of any change in the name or address at which they will accept delivery and must update their eCRB profiles accordingly.

(h) Delivery method and proof of delivery—

(1) Electronic filings through eCRB. Electronic filing of any document through eCRB operates to effect delivery of the document to counsel or pro se participants who have obtained eCRB passwords, and the automatic notice of filing sent by eCRB to the filer constitutes proof of delivery. Counsel or parties who have not yet obtained eCRB passwords must deliver and receive delivery as provided in paragraph (h)(2). Parties making electronic filings are responsible for assuring delivery of all filed documents to parties that do not use the eCRB system.

(2) Other filings. During the course of a proceeding, each party must deliver all documents that they have filed other than through eCRB to the other parties or their counsel by means no slower than overnight express mail sent on the same day they file the documents, or by such other means as the parties may agree in writing among themselves. Parties must include a proof of delivery with any document delivered in accordance with this paragraph.

37 C.F.R. § 351.1

§ 351.1. Initiation of proceedings.

(a) Notice of commencement; solicitation of petitions to participate. All proceedings before the Copyright Royalty Judges to make determinations and adjustments of reasonable terms and rates of royalty payments, and to authorize the distribution of royalty fees, shall be initiated by publication in the Federal Register of a notice of the initiation of proceedings calling for the filing of petitions to participate in the proceeding.

(b) Petitions to participate—

(1) Royalty rate proceedings—

(i) Single petition. Each petition to participate filed in a royalty rate proceeding must include:

(A) The petitioner's full name, address, telephone number, facsimile number (if any), and e-mail address (if any); and

(B) A description of the petitioner's significant interest in the subject matter of the proceeding.

(ii) Joint petition. Petitioners with similar interests may, in lieu of filing individual petitions, file a single petition. Each joint petition must include:

(A) The full name, address, telephone number, facsimile number (if any), and e-mail address (if any) of the person filing the petition;

(B) A list identifying all participants to the joint petition;

(C) A description of the participants' significant interest in the subject matter of the proceeding; and

(D) If the joint petition is filed by counsel or a representative of one or more of the participants that are named in the joint petition, a statement from such counsel or representative certifying that, as of the date of submission of the joint petition, such counsel or representative has the authority and consent of the participants to represent them in the royalty rate proceeding.

(2) Distribution proceedings—

(i) Single petition. Each petition to participate filed in a royalty distribution proceeding must include:

(A) The petitioner's full name, address, telephone number, facsimile number (if any), and e-mail address (if any);

(B) In a cable or satellite royalty distribution proceeding, identification of whether the petition covers a Phase I proceeding (the initial part of a distribution proceeding where royalties are divided among the categories or groups of copyright owners), a Phase II proceeding (where the money allotted to each category is subdivided among the various copyright owners within that category), or both; and

(C) A description of the petitioner's significant interest in the subject matter of the proceeding.

(ii) Joint petition. Petitioners with similar interests may, in lieu of filing individual petitions, file a single petition. Each joint petition must include:

(A) The full name, address, telephone number, facsimile number (if any), and e-mail address (if any) of the person filing the petition;

(B) A list identifying all participants to the joint petition;

(C) In a cable or satellite royalty distribution proceeding, identification of whether the petition covers a Phase I proceeding (the initial part of a distribution proceeding where royalties are divided among the categories or groups of copyright owners), a Phase II proceeding (where the money allotted to each category is subdivided among the various copyright owners within that category), or both;

(D) A description of the participants' significant interest in the subject matter of the proceeding; and

(E) If the joint petition is filed by counsel or a representative of one or more of the participants that are named in the joint petition, a statement from such counsel or representative certifying that, as of the date of submission of the joint petition, such counsel or representative has the authority and consent of the participants to represent them in the royalty distribution proceeding.

(3) Filing deadline. A petition to participate shall be filed by no later than 30 days after the publication of the notice of commencement of a proceeding, subject to the qualified exception set forth in paragraph (d) of this section.

(4) Filing fee. A petition to participate must be accompanied with a filing fee of \$150 or the petition will be rejected. For petitions filed electronically through eCRB, payment must be made to the Copyright Royalty Board through the payment portal designated on eCRB. For petitions filed by other means, payment must be made to the Copyright Royalty Board by check or by money order. If a check is subsequently dishonored, the petition will be rejected. If the petitioner believes that the contested amount of that petitioner's claim will be \$1,000 or less, the petitioner must so state in the petition to participate and should not include payment of the \$150 filing fee. If it becomes apparent during the course of the proceedings that the contested amount of the claim is more than \$1,000, the Copyright Royalty Judges will require payment of the filing fee at that time.

(c) Acceptance and rejection of petitions to participate. A petition to participate will be deemed to have been allowed by the Copyright Royalty Judges unless the Copyright Royalty Judges determine the petitioner lacks a significant interest in the proceeding or the petition is otherwise invalid.

(d) Late petitions to participate. The Copyright Royalty Judges may, for substantial good cause shown, and if there is no prejudice to the participants that have already filed petitions, accept late petitions to participate at any time up to the date that is 90 days before the date on which participants in the proceeding are to file their written direct statements. However, petitioners whose petitions are filed more than 30 days after publication of notice of commencement of a proceeding are not eligible to object to a settlement reached during the voluntary negotiation period.

37 C.F.R. § 360.4

§ 360.4. Form and content of claims.

(a) Forms.

(1) Each filer must use the form prescribed by the Copyright Royalty Board to claim cable compulsory license royalty fees or satellite compulsory license royalty fees and must provide all information required by that form and its accompanying instructions.

(2) Copies of claim forms are available:

(i) On the Copyright Royalty Board Web site at <http://www.crb.gov/claims/> during the month of July for claims filed with the Copyright Royalty Board by mail or by hand delivery;

(ii) On the Copyright Royalty Board Web site at <http://www.crb.gov/cable/> (for cable claims) or <http://www.crb.gov/satellite/> (for satellite claims) during the month of July for claims filed online through eCRB; and

(iii) Upon request to the Copyright Royalty Board by mail at the address set forth in § 301.2(a), by email at the address set forth in § 301.2(d), or by telephone at (202) 707-7658.

(b) Content—

(1) Single claim. A claim filed on behalf of a single copyright owner of a work or works secondarily transmitted by a cable system or satellite carrier must include the following information:

(i) The full legal name, address, and email address of the copyright owner entitled to claim the royalty fees.

(ii) A statement of the nature of the copyright owner's work(s) that has (have) been secondarily transmitted by a cable system or satellite carrier establishing a basis for the claim.

(iii) The name, telephone number, full mailing address, and email address of the person or entity filing the single claim. The information contained in a filer's eCRB profile shall fulfill this requirement for claims submitted through eCRB.

(iv) The name, telephone number, and email address of the person whom the Copyright Royalty Board can contact regarding the claim.

(v) An original signature of the copyright owner or of a duly authorized representative of the copyright owner, except for claims filed online through eCRB.

(vi) A declaration of authority to file the claim and a certification of the veracity of the information contained in the claim and the good faith of the person signing in providing the information. Penalties for fraud and false statements are provided under 18 U.S.C. 1001 et seq.

(2) Joint claim. A claim filed on behalf of more than one copyright owner whose works have been secondarily transmitted by a cable system or satellite carrier must include the following information:

(i) With the exception of joint claims filed by a performing rights society on behalf of its members, a list including the full legal name, address, and email address of each copyright owner whose claim(s) are included in the joint claim. Claims filed online through eCRB must include an Excel spreadsheet containing the information if the number of joint claimants is in excess of ten. For claims filed by mail or hand delivery, the list containing the name of each claimant to the joint claim may be provided in a single Excel spreadsheet on CD, DVD, or other electronic storage medium.

(ii) A general statement of the nature of the copyright owners' works that have been secondarily transmitted by a cable system or satellite carrier establishing a basis for the joint claim.

(iii) The name, telephone number, full mailing address, and email address of the person or entity filing the joint claim. The information contained in a filer's eCRB profile shall fulfill this requirement for claims submitted through eCRB.

(iv) The name, telephone number, and email address of a person whom the Copyright Royalty Board can contact regarding the claim.

(v) Original signatures of the copyright owners identified on the joint claim or of a duly authorized representative or representatives of the copyright owners, except for claims filed online through eCRB.

(vi) A declaration of authority to file the claim and a certification of the veracity of the information contained in the claim and the good faith of the person signing in providing the information. Penalties for fraud and false statements are provided under 18 U.S.C. 1001 et seq.

(c) Changes. In the event the legal name and/or address of the copyright owner entitled to royalties or the person or entity filing the claim changes after the filing of the claim, the filer or the copyright owner shall notify the Copyright Royalty Board of the change. Any other proposed changes or amendments must be submitted in accordance with 37 CFR 360.30. If the good faith efforts of the Copyright Royalty Board to contact the copyright owner or filer are frustrated because of outdated or otherwise inaccurate contact information, the claim may be subject to dismissal. A person or entity that filed a claim online through eCRB must notify the Copyright Royalty Board of any change of name or address by updating the eCRB profile for that person or entity through eCRB as required by 37 CFR 350.5(g).

EXHIBIT 6

Fill in this information to identify your case:

United States Bankruptcy Court for the:

NORTHERN DISTRICT OF OKLAHOMA

Case number (if known) _____

Chapter you are filing under:

☒ Chapter 7☐ Chapter 11☐ Chapter 12☐ Chapter 13☐ Check if this an amended filing

Official Form 101

Voluntary Petition for Individuals Filing for Bankruptcy

12/17

The bankruptcy forms use you and Debtor 1 to refer to a debtor filing alone. A married couple may file a bankruptcy case together—called a *joint* case—and in joint cases, these forms use you to ask for information from both debtors. For example, if a form asks, “Do you own a car,” the answer would be yes if either debtor owns a car. When information is needed about the spouses separately, the form uses *Debtor 1* and *Debtor 2* to distinguish between them. In joint cases, one of the spouses must report information as *Debtor 1* and the other as *Debtor 2*. The same person must be *Debtor 1* in all of the forms.

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Identify Yourself**About Debtor 1:****About Debtor 2 (Spouse Only in a Joint Case):****1. Your full name**

Write the name that is on your government-issued picture identification (for example, your driver's license or passport).

Alfredo

First name

Carlos Paul

Middle name

Bring your picture identification to your meeting with the trustee.

Galaz

Last name and Suffix (Sr., Jr., II, III)

Lois

First name

May

Middle name

Galaz

Last name and Suffix (Sr., Jr., II, III)

2. All other names you have used in the last 8 years

Include your married or maiden names.

**Alfred Galaz, Jr.
Alfredo Raul Galaz****3. Only the last 4 digits of your Social Security number or federal Individual Taxpayer Identification number (ITIN)****xxx-xx-7195****xxx-xx-7825**

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

About Debtor 1:

About Debtor 2 (Spouse Only in a Joint Case):

4. Any business names and Employer Identification Numbers (EIN) you have used in the last 8 years

Include trade names and *doing business as* names

☐ I have not used any business name or EINs.

FDBA Segundo Suenos LLC
FDBA Worldwide Subsidy

Business name(s)

EINs

☒ I have not used any business name or EINs.

Business name(s)

EINs

5. Where you live

3901 West Vandalia Street
Broken Arrow, OK 74012

Number, Street, City, State & ZIP Code

Tulsa

County

If your mailing address is different from the one above, fill it in here. Note that the court will send any notices to you at this mailing address.

Number, P.O. Box, Street, City, State & ZIP Code

If Debtor 2 lives at a different address:

Number, Street, City, State & ZIP Code

County

If Debtor 2's mailing address is different from yours, fill it in here. Note that the court will send any notices to this mailing address.

Number, P.O. Box, Street, City, State & ZIP Code

6. Why you are choosing this district to file for bankruptcy

Check one:

☒ Over the last 180 days before filing this petition, I have lived in this district longer than in any other district.

☐ I have another reason.
 Explain. (See 28 U.S.C. § 1408.)

Check one:

☒ Over the last 180 days before filing this petition, I have lived in this district longer than in any other district.

☐ I have another reason.
 Explain. (See 28 U.S.C. § 1408.)

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Part 2: Tell the Court About Your Bankruptcy Case

7. **The chapter of the Bankruptcy Code you are choosing to file under** *Check one. (For a brief description of each, see Notice Required by 11 U.S.C. § 342(b) for Individuals Filing for Bankruptcy (Form 2010)). Also, go to the top of page 1 and check the appropriate box.*
- ☒ Chapter 7
☐ Chapter 11
☐ Chapter 12
☐ Chapter 13
-
8. **How you will pay the fee** ☒ **I will pay the entire fee when I file my petition.** Please check with the clerk's office in your local court for more details about how you may pay. Typically, if you are paying the fee yourself, you may pay with cash, cashier's check, or money order. If your attorney is submitting your payment on your behalf, your attorney may pay with a credit card or check with a pre-printed address.
- ☐ **I need to pay the fee in installments.** If you choose this option, sign and attach the *Application for Individuals to Pay The Filing Fee in Installments* (Official Form 103A).
- ☐ **I request that my fee be waived** (You may request this option only if you are filing for Chapter 7. By law, a judge may, but is not required to, waive your fee, and may do so only if your income is less than 150% of the official poverty line that applies to your family size and you are unable to pay the fee in installments). If you choose this option, you must fill out the *Application to Have the Chapter 7 Filing Fee Waived* (Official Form 103B) and file it with your petition.
-
9. **Have you filed for bankruptcy within the last 8 years?** ☒ No.
☐ Yes.
- | | | |
|----------------|------------|-------------------|
| District _____ | When _____ | Case number _____ |
| District _____ | When _____ | Case number _____ |
| District _____ | When _____ | Case number _____ |
-
10. **Are any bankruptcy cases pending or being filed by a spouse who is not filing this case with you, or by a business partner, or by an affiliate?** ☒ No
☐ Yes.
- | | |
|-----------------------------|---------------------------|
| Debtor _____ | Relationship to you _____ |
| District _____ | When _____ |
| Case number, if known _____ | |
| Debtor _____ | Relationship to you _____ |
| District _____ | When _____ |
| Case number, if known _____ | |
-
11. **Do you rent your residence?** ☒ No. Go to line 12.
☐ Yes. Has your landlord obtained an eviction judgment against you?
- ☐ No. Go to line 12.
- ☐ Yes. Fill out *Initial Statement About an Eviction Judgment Against You* (Form 101A) and file it as part of this bankruptcy petition.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Part 3: Report About Any Businesses You Own as a Sole Proprietor

12. Are you a sole proprietor of any full- or part-time business?

☐ No. Go to Part 4.

☒ Yes. Name and location of business

A sole proprietorship is a business you operate as an individual, and is not a separate legal entity such as a corporation, partnership, or LLC.

If you have more than one sole proprietorship, use a separate sheet and attach it to this petition.

Sole Proprietorship

Name of business, if any

**3901 West Vandalia Street
 Broken Arrow, OK 74012**

Number, Street, City, State & ZIP Code

Check the appropriate box to describe your business:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☒ None of the above

13. Are you filing under Chapter 11 of the Bankruptcy Code and are you a small business debtor?

For a definition of *small business debtor*, see 11 U.S.C. § 101(51D).

If you are filing under Chapter 11, the court must know whether you are a small business debtor so that it can set appropriate deadlines. If you indicate that you are a small business debtor, you must attach your most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. 1116(1)(B).

☒ No. I am not filing under Chapter 11.

☐ No. I am filing under Chapter 11, but I am NOT a small business debtor according to the definition in the Bankruptcy Code.

☐ Yes. I am filing under Chapter 11 and I am a small business debtor according to the definition in the Bankruptcy Code.

Part 4: Report if You Own or Have Any Hazardous Property or Any Property That Needs Immediate Attention

14. Do you own or have any property that poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety? Or do you own any property that needs immediate attention?

☒ No.

☐ Yes.

What is the hazard?

If immediate attention is needed, why is it needed?

For example, do you own perishable goods, or livestock that must be fed, or a building that needs urgent repairs?

Where is the property?

Number, Street, City, State & Zip Code

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Part 5: Explain Your Efforts to Receive a Briefing About Credit Counseling

15. Tell the court whether you have received a briefing about credit counseling.

The law requires that you receive a briefing about credit counseling before you file for bankruptcy. You must truthfully check one of the following choices. If you cannot do so, you are not eligible to file.

If you file anyway, the court can dismiss your case, you will lose whatever filing fee you paid, and your creditors can begin collection activities again.

About Debtor 1:

You must check one:

- ☒ **I received a briefing from an approved credit counseling agency within the 180 days before I filed this bankruptcy petition, and I received a certificate of completion.**

Attach a copy of the certificate and the payment plan, if any, that you developed with the agency.

- ☐ **I received a briefing from an approved credit counseling agency within the 180 days before I filed this bankruptcy petition, but I do not have a certificate of completion.**

Within 14 days after you file this bankruptcy petition, you **MUST** file a copy of the certificate and payment plan, if any.

- ☐ **I certify that I asked for credit counseling services from an approved agency, but was unable to obtain those services during the 7 days after I made my request, and exigent circumstances merit a 30-day temporary waiver of the requirement.**

To ask for a 30-day temporary waiver of the requirement, attach a separate sheet explaining what efforts you made to obtain the briefing, why you were unable to obtain it before you filed for bankruptcy, and what exigent circumstances required you to file this case.

Your case may be dismissed if the court is dissatisfied with your reasons for not receiving a briefing before you filed for bankruptcy. If the court is satisfied with your reasons, you must still receive a briefing within 30 days after you file. You must file a certificate from the approved agency, along with a copy of the payment plan you developed, if any. If you do not do so, your case may be dismissed.

Any extension of the 30-day deadline is granted only for cause and is limited to a maximum of 15 days.

- ☐ **I am not required to receive a briefing about credit counseling because of:**

- ☐ **Incapacity.**
I have a mental illness or a mental deficiency that makes me incapable of realizing or making rational decisions about finances.

- ☐ **Disability.**
My physical disability causes me to be unable to participate in a briefing in person, by phone, or through the internet, even after I reasonably tried to do so.

- ☐ **Active duty.**
I am currently on active military duty in a military combat zone.

If you believe you are not required to receive a briefing about credit counseling, you must file a motion for waiver credit counseling with the court.

About Debtor 2 (Spouse Only in a Joint Case):

You must check one:

- ☒ **I received a briefing from an approved credit counseling agency within the 180 days before I filed this bankruptcy petition, and I received a certificate of completion.**

Attach a copy of the certificate and the payment plan, if any, that you developed with the agency.

- ☐ **I received a briefing from an approved credit counseling agency within the 180 days before I filed this bankruptcy petition, but I do not have a certificate of completion.**

Within 14 days after you file this bankruptcy petition, you **MUST** file a copy of the certificate and payment plan, if any.

- ☐ **I certify that I asked for credit counseling services from an approved agency, but was unable to obtain those services during the 7 days after I made my request, and exigent circumstances merit a 30-day temporary waiver of the requirement.**

To ask for a 30-day temporary waiver of the requirement, attach a separate sheet explaining what efforts you made to obtain the briefing, why you were unable to obtain it before you filed for bankruptcy, and what exigent circumstances required you to file this case.

Your case may be dismissed if the court is dissatisfied with your reasons for not receiving a briefing before you filed for bankruptcy.

If the court is satisfied with your reasons, you must still receive a briefing within 30 days after you file. You must file a certificate from the approved agency, along with a copy of the payment plan you developed, if any. If you do not do so, your case may be dismissed.

Any extension of the 30-day deadline is granted only for cause and is limited to a maximum of 15 days.

- ☐ **I am not required to receive a briefing about credit counseling because of:**

- ☐ **Incapacity.**
I have a mental illness or a mental deficiency that makes me incapable of realizing or making rational decisions about finances.

- ☐ **Disability.**
My physical disability causes me to be unable to participate in a briefing in person, by phone, or through the internet, even after I reasonably tried to do so.

- ☐ **Active duty.**
I am currently on active military duty in a military combat zone.

If you believe you are not required to receive a briefing about credit counseling, you must file a motion for waiver of credit counseling with the court.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Part 6: Answer These Questions for Reporting Purposes

16. What kind of debts do you have?	16a.	Are your debts primarily consumer debts? <i>Consumer debts</i> are defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input type="checkbox"/> No. Go to line 16b. <input checked="" type="checkbox"/> Yes. Go to line 17.
	16b.	Are your debts primarily business debts? <i>Business debts</i> are debts that you incurred to obtain money for a business or investment or through the operation of the business or investment. <input type="checkbox"/> No. Go to line 16c. <input type="checkbox"/> Yes. Go to line 17.
	16c.	State the type of debts you owe that are not consumer debts or business debts _____

17. Are you filing under Chapter 7? Do you estimate that after any exempt property is excluded and administrative expenses are paid that funds will be available for distribution to unsecured creditors?	<input type="checkbox"/> No. <input checked="" type="checkbox"/> Yes.	I am not filing under Chapter 7. Go to line 18. I am filing under Chapter 7. Do you estimate that after any exempt property is excluded and administrative expenses are paid that funds will be available to distribute to unsecured creditors? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
--	--	--

18. How many Creditors do you estimate that you owe?	<input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999	<input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5001-10,000 <input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> More than 100,000
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19. How much do you estimate your assets to be worth?	<input type="checkbox"/> \$0 - \$50,000 <input type="checkbox"/> \$50,001 - \$100,000 <input checked="" type="checkbox"/> \$100,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$1 million	<input type="checkbox"/> \$1,000,001 - \$10 million <input type="checkbox"/> \$10,000,001 - \$50 million <input type="checkbox"/> \$50,000,001 - \$100 million <input type="checkbox"/> \$100,000,001 - \$500 million	<input type="checkbox"/> \$500,000,001 - \$1 billion <input type="checkbox"/> \$1,000,000,001 - \$10 billion <input type="checkbox"/> \$10,000,000,001 - \$50 billion <input type="checkbox"/> More than \$50 billion
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20. How much do you estimate your liabilities to be?	<input type="checkbox"/> \$0 - \$50,000 <input type="checkbox"/> \$50,001 - \$100,000 <input checked="" type="checkbox"/> \$100,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$1 million	<input type="checkbox"/> \$1,000,001 - \$10 million <input type="checkbox"/> \$10,000,001 - \$50 million <input type="checkbox"/> \$50,000,001 - \$100 million <input type="checkbox"/> \$100,000,001 - \$500 million	<input type="checkbox"/> \$500,000,001 - \$1 billion <input type="checkbox"/> \$1,000,000,001 - \$10 billion <input type="checkbox"/> \$10,000,000,001 - \$50 billion <input type="checkbox"/> More than \$50 billion
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Part 7: Sign Below**For you**

I have examined this petition, and I declare under penalty of perjury that the information provided is true and correct.

If I have chosen to file under Chapter 7, I am aware that I may proceed, if eligible, under Chapter 7, 11, 12, or 13 of title 11, United States Code. I understand the relief available under each chapter, and I choose to proceed under Chapter 7.

If no attorney represents me and I did not pay or agree to pay someone who is not an attorney to help me fill out this document, I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I understand making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

/s/ Alfredo Carlos Paul Galaz**Alfredo Carlos Paul Galaz**

Signature of Debtor 1

/s/ Lois May Galaz**Lois May Galaz**

Signature of Debtor 2

Executed on **May 24, 2019**

MM / DD / YYYY

Executed on **May 24, 2019**

MM / DD / YYYY

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

For your attorney, if you are represented by one

If you are not represented by an attorney, you do not need to file this page.

I, the attorney for the debtor(s) named in this petition, declare that I have informed the debtor(s) about eligibility to proceed under Chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each chapter for which the person is eligible. I also certify that I have delivered to the debtor(s) the notice required by 11 U.S.C. § 342(b) and, in a case in which § 707(b)(4)(D) applies, certify that I have no knowledge after an inquiry that the information in the schedules filed with the petition is incorrect.

/s/ Ron D. Brown OBA

Signature of Attorney for Debtor

Date

May 24, 2019

MM / DD / YYYY

Ron D. Brown OBA 16352

Printed name

Brown Law Firm PC

Firm name

715 S. Elgin Ave.

Tulsa, OK 74120

Number, Street, City, State & ZIP Code

Contact phone **918-585-9500**

Email address

ron@ronbrownlaw.com

OBA 16352 OK

Bar number & State

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2	Lois May Galaz		
(Spouse if, filing)	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing
Official Form 106Sum**Summary of Your Assets and Liabilities and Certain Statistical Information**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Fill out all of your schedules first; then complete the information on this form. If you are filing amended schedules after you file your original forms, you must fill out a new *Summary* and check the box at the top of this page.

Part 1: Summarize Your Assets

		Your assets Value of what you own
1. Schedule A/B: Property (Official Form 106A/B)		
1a. Copy line 55, Total real estate, from Schedule A/B.....	\$	330,000.00
1b. Copy line 62, Total personal property, from Schedule A/B.....	\$	56,592.00
1c. Copy line 63, Total of all property on Schedule A/B.....	\$	386,592.00

Part 2: Summarize Your Liabilities

		Your liabilities Amount you owe
2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 106D)		
2a. Copy the total you listed in Column A, <i>Amount of claim</i> , at the bottom of the last page of Part 1 of <i>Schedule D</i> ...	\$	216,564.00
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 106E/F)		
3a. Copy the total claims from Part 1 (priority unsecured claims) from line 6e of <i>Schedule E/F</i>	\$	0.00
3b. Copy the total claims from Part 2 (nonpriority unsecured claims) from line 6j of <i>Schedule E/F</i>	\$	65,815.00
Your total liabilities		\$ 282,379.00

Part 3: Summarize Your Income and Expenses

4. Schedule I: Your Income (Official Form 106I)		
Copy your combined monthly income from line 12 of <i>Schedule I</i>	\$	5,655.34
5. Schedule J: Your Expenses (Official Form 106J)		
Copy your monthly expenses from line 22c of <i>Schedule J</i>	\$	4,488.00

Part 4: Answer These Questions for Administrative and Statistical Records

6. **Are you filing for bankruptcy under Chapters 7, 11, or 13?**
- ☐ No. You have nothing to report on this part of the form. Check this box and submit this form to the court with your other schedules.
- ☒ Yes
7. **What kind of debt do you have?**
- ☒ **Your debts are primarily consumer debts.** *Consumer debts* are those "incurred by an individual primarily for a personal, family, or household purpose." 11 U.S.C. § 101(8). Fill out lines 8-9g for statistical purposes. 28 U.S.C. § 159.
- ☐ **Your debts are not primarily consumer debts.** You have nothing to report on this part of the form. *Check this box* and submit this form to the court with your other schedules.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

8. **From the Statement of Your Current Monthly Income:** Copy your total current monthly income from Official Form 122A-1 Line 11; **OR**, Form 122B Line 11; **OR**, Form 122C-1 Line 14.

\$ 2,394.34

9. **Copy the following special categories of claims from Part 4, line 6 of Schedule E/F:**

	Total claim
From Part 4 on Schedule E/F, copy the following:	
9a. Domestic support obligations (Copy line 6a.)	\$ <u>0.00</u>
9b. Taxes and certain other debts you owe the government. (Copy line 6b.)	\$ <u>0.00</u>
9c. Claims for death or personal injury while you were intoxicated. (Copy line 6c.)	\$ <u>0.00</u>
9d. Student loans. (Copy line 6f.)	\$ <u>0.00</u>
9e. Obligations arising out of a separation agreement or divorce that you did not report as priority claims. (Copy line 6g.)	\$ <u>0.00</u>
9f. Debts to pension or profit-sharing plans, and other similar debts. (Copy line 6h.)	+\$ <u>0.00</u>
9g. Total. Add lines 9a through 9f.	\$ <u>0.00</u>

Fill in this information to identify your case and this filing:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2	Lois May Galaz		
(Spouse, if filing)	First Name	Middle Name	Last Name
United States Bankruptcy Court for the: <u>NORTHERN DISTRICT OF OKLAHOMA</u>			
Case number _____			

☐ Check if this is an amended filing

Official Form 106A/B

Schedule A/B: Property

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?**
☐ No. Go to Part 2.

☒ Yes. Where is the property?

1.1

3901 W Vandalia St

Street address, if available, or other description

Broken Arrow OK 74012-0000

City State ZIP Code

Tulsa

County

What is the property? Check all that apply

- ☒ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☐ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other _____

Who has an interest in the property? Check one

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☒ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Legal: Subdivision: PECAN GROVE ESTATES LOT 29 BLOCK 1 Section: 17 Township: 18 Range: 14

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?
\$330,000.00

Current value of the portion you own?
\$330,000.00

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

Joint tenant

☐ Check if this is community property (see instructions)

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.....=>**\$330,000.00****Part 2: Describe Your Vehicles**

Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles

☐ No
☒ Yes

3.1 Make: **Lincoln**
 Model: **Town Car**
 Year: **2008**
 Approximate mileage: **89000**
 Other information:

Who has an interest in the property? Check one

☐ Debtor 1 only
☐ Debtor 2 only
☒ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ Check if this is community property
 (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

Current value of the portion you own?

\$5,460.00**\$5,460.00**

3.2 Make: **Lincoln**
 Model: **Town Car**
 Year: **2001**
 Approximate mileage: **250000**
 Other information:

Who has an interest in the property? Check one

☐ Debtor 1 only
☐ Debtor 2 only
☒ Debtor 1 and Debtor 2 only
☐ At least one of the debtors and another

☐ Check if this is community property
 (see instructions)

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

Current value of the portion you own?

\$1,357.00**\$1,357.00****4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories**

Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories

☒ No
☐ Yes

5 Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages you have attached for Part 2. Write that number here.....=>

\$6,817.00**Part 3: Describe Your Personal and Household Items**

Do you own or have any legal or equitable interest in any of the following items?

Current value of the portion you own?
 Do not deduct secured claims or exemptions.

6. Household goods and furnishings

Examples: Major appliances, furniture, linens, china, kitchenware

☐ No

☒ Yes. Describe.....

Misc. Household Goods and Furnishings

\$10,000.00**7. Electronics**

Examples: Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices including cell phones, cameras, media players, games

☐ No

☒ Yes. Describe.....

six televisions, two cell phones, two computers, one laptop one desktop, one tablet, one camera

\$800.00

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

8. Collectibles of value

Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles

☒ No☐ Yes. Describe.....**9. Equipment for sports and hobbies**

Examples: Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments

☐ No☒ Yes. Describe.....**Sewing machine two bicycles****\$100.00****10. Firearms**

Examples: Pistols, rifles, shotguns, ammunition, and related equipment

☐ No☒ Yes. Describe.....**two pistols****\$150.00****11. Clothes**

Examples: Everyday clothes, furs, leather coats, designer wear, shoes, accessories

☐ No☒ Yes. Describe.....**Clothing****\$400.00****12. Jewelry**

Examples: Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver

☐ No☒ Yes. Describe.....**Wedding band and ring****\$1,150.00****Misc. Jewelry****\$50.00****13. Non-farm animals**

Examples: Dogs, cats, birds, horses

☐ No☒ Yes. Describe.....**two dogs****\$0.00****14. Any other personal and household items you did not already list, including any health aids you did not list**☐ No☒ Yes. Give specific information.....**Riding Lawnmower****\$200.00**

15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here

\$12,850.00**Part 4: Describe Your Financial Assets**

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Do you own or have any legal or equitable interest in any of the following?

Current value of the portion you own?
 Do not deduct secured claims or exemptions.

16. Cash

Examples: Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition

☐ No☒ Yes.....**Cash****\$89.00****17. Deposits of money**

Examples: Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.

☐ No☒ Yes.....

Institution name:

Arvest**Business account-unused for years, not sure what closed business it was for**17.1. **Checking****\$0.00**17.2. **Checking****Arvest****\$1,453.00****18. Bonds, mutual funds, or publicly traded stocks**

Examples: Bond funds, investment accounts with brokerage firms, money market accounts

☒ No☐ Yes.....

Institution or issuer name:

19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture☐ No☒ Yes. Give specific information about them.....

Name of entity:

% of ownership:

Sole proprietorship doing contract real estate sales for Coldwell Banker**100** %**\$0.00****20. Government and corporate bonds and other negotiable and non-negotiable instruments**

Negotiable instruments include personal checks, cashiers' checks, promissory notes, and money orders.

Non-negotiable instruments are those you cannot transfer to someone by signing or delivering them.

☒ No☐ Yes. Give specific information about them

Issuer name:

21. Retirement or pension accounts

Examples: Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans

☐ No☒ Yes. List each account separately.

Type of account:

Institution name:

IRA**Ameriprise****\$35,000.00****Pension****Bright House****\$83.00****22. Security deposits and prepayments**

Your share of all unused deposits you have made so that you may continue service or use from a company

Examples: Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others

☐ No

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

☐ Yes.

Institution name or individual:

Water

City of Broken Arrow

\$100.00

Electric

AEP

\$100.00

Gas

ONG

\$100.00

23. **Annuities** (A contract for a periodic payment of money to you, either for life or for a number of years)

☐ No

☐ Yes..... Issuer name and description.

24. **Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.**

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

☐ No

☐ Yes..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

25. **Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit**

☐ No

☐ Yes. Give specific information about them...

26. **Patents, copyrights, trademarks, trade secrets, and other intellectual property**

Examples: Internet domain names, websites, proceeds from royalties and licensing agreements

☐ No

☐ Yes. Give specific information about them...

27. **Licenses, franchises, and other general intangibles**

Examples: Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses

☐ No

☐ Yes. Give specific information about them...

Real Estate License

\$0.00

Money or property owed to you?

Current value of the portion you own?
Do not deduct secured claims or exemptions.

28. **Tax refunds owed to you**

☐ No

☐ Yes. Give specific information about them, including whether you already filed the returns and the tax years.....

29. **Family support**

Examples: Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement

☐ No

☐ Yes. Give specific information.....

30. **Other amounts someone owes you**

Examples: Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else

☐ No

☐ Yes. Give specific information..

31. **Interests in insurance policies**

Examples: Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance

☐ No

☐ Yes. Name the insurance company of each policy and list its value.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Company name:	Beneficiary:	Surrender or refund value:
Term Life Insurance Policy \$40,000 Death Benefits Only	Debtor 2	\$0.00
Term Life Insurance Policy \$40,000 Death Benefits Only	Debtor 1	\$0.00
State Farm vehicle insurance policy	Debtor 1 and 2	\$0.00
State Farm homeowners insurance policy	Debtor 1 and 2	\$0.00

32. Any interest in property that is due you from someone who has died

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

☒ No

☐ Yes. Give specific information..

33. Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment

Examples: Accidents, employment disputes, insurance claims, or rights to sue

☒ No

☐ Yes. Describe each claim.....

34. Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims

☒ No

☐ Yes. Describe each claim.....

35. Any financial assets you did not already list

☒ No

☐ Yes. Give specific information..

36. Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....

\$36,925.00

Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.

37. Do you own or have any legal or equitable interest in any business-related property?

☒ No. Go to Part 6.

☐ Yes. Go to line 38.

Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.

If you own or have an interest in farmland, list it in Part 1.

46. Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?

☒ No. Go to Part 7.

☐ Yes. Go to line 47.

Part 7: Describe All Property You Own or Have an Interest in That You Did Not List Above

53. Do you have other property of any kind you did not already list?

Examples: Season tickets, country club membership

☒ No

☐ Yes. Give specific information.....

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

54. Add the dollar value of all of your entries from Part 7. Write that number here

\$0.00**Part 8:** List the Totals of Each Part of this Form

55. Part 1: Total real estate, line 2		\$330,000.00
56. Part 2: Total vehicles, line 5	\$6,817.00	
57. Part 3: Total personal and household items, line 15	\$12,850.00	
58. Part 4: Total financial assets, line 36	\$36,925.00	
59. Part 5: Total business-related property, line 45	\$0.00	
60. Part 6: Total farm- and fishing-related property, line 52	\$0.00	
61. Part 7: Total other property not listed, line 54	\$0.00	
	+	
62. Total personal property. Add lines 56 through 61...	\$56,592.00	Copy personal property total \$56,592.00
63. Total of all property on Schedule A/B. Add line 55 + line 62		\$386,592.00

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing
Official Form 106C**Schedule C: The Property You Claim as Exempt**

4/19

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

Part 1: Identify the Property You Claim as Exempt

1. Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.

- ☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)
- ☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.

Brief description of the property and line on <i>Schedule A/B</i> that lists this property	Current value of the portion you own Copy the value from <i>Schedule A/B</i>	Amount of the exemption you claim Check only one box for each exemption.	Specific laws that allow exemption
3901 W Vandalia St Broken Arrow, OK 74012 Tulsa County Legal: Subdivision: PECAN GROVE ESTATES LOT 29 BLOCK 1 Section: 17 Township: 18 Range: 14 Line from <i>Schedule A/B</i> : 1.1	\$330,000.00	<input checked="" type="checkbox"/> \$111,859.00 <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, §§ 1(A)(1),(2); Okla. Stat. tit. 31, § 2
2008 Lincoln Town Car 89000 miles Line from <i>Schedule A/B</i> : 3.1	\$5,460.00	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(13)
2001 Lincoln Town Car 250000 miles Line from <i>Schedule A/B</i> : 3.2	\$1,357.00	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(13)
Misc. Household Goods and Furnishings Line from <i>Schedule A/B</i> : 6.1	\$10,000.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(3)
six televisions, two cell phones, two computers, one laptop one desktop, one tablet, one camera Line from <i>Schedule A/B</i> : 7.1	\$800.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(3)

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

Brief description of the property and line on Schedule A/B that lists this property	Current value of the portion you own <small>Copy the value from Schedule A/B</small>	Amount of the exemption you claim <small>Check only one box for each exemption.</small>	Specific laws that allow exemption
two pistols Line from Schedule A/B: 10.1	<u>\$150.00</u>	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(14)
Clothing Line from Schedule A/B: 11.1	<u>\$400.00</u>	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(7)
Wedding band and ring Line from Schedule A/B: 12.1	<u>\$1,150.00</u>	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(8)
Misc. Jewelry Line from Schedule A/B: 12.2	<u>\$50.00</u>	<input type="checkbox"/> <input checked="" type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(7)
Riding Lawnmower Line from Schedule A/B: 14.1	<u>\$200.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(3)
Cash Line from Schedule A/B: 16.1	<u>\$89.00</u>	<input checked="" type="checkbox"/> <u>75%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 12, § 1171.1; Okla. Stat. tit. 31, § 1(A)(18)
Checking: Arvest Business account-unused for years, not sure what closed business it was for Line from Schedule A/B: 17.1	<u>\$0.00</u>	<input checked="" type="checkbox"/> <u>75%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 12, § 1171.1; Okla. Stat. tit. 31, § 1(A)(18)
IRA: Ameriprise Line from Schedule A/B: 21.1	<u>\$35,000.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(20)
Pension: Bright House Line from Schedule A/B: 21.2	<u>\$83.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1(A)(20)
Water: City of Broken Arrow Line from Schedule A/B: 22.1	<u>\$100.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1.1
Electric: AEP Line from Schedule A/B: 22.2	<u>\$100.00</u>	<input checked="" type="checkbox"/> <u>100%</u> <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1.1

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Brief description of the property and line on Schedule A/B that lists this property	Current value of the portion you own <small>Copy the value from Schedule A/B</small>	Amount of the exemption you claim <small>Check only one box for each exemption.</small>	Specific laws that allow exemption
Gas: ONG Line from Schedule A/B: 22.3	\$100.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 31, § 1.1
Term Life Insurance Policy \$40,000 Death Benefits Only Beneficiary: Debtor 2 Line from Schedule A/B: 31.1	\$0.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 36, § 3631.1
Term Life Insurance Policy \$40,000 Death Benefits Only Beneficiary: Debtor 1 Line from Schedule A/B: 31.2	\$0.00	<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit	Okla. Stat. tit. 36, § 3631.1

3. **Are you claiming a homestead exemption of more than \$170,350?**

(Subject to adjustment on 4/01/22 and every 3 years after that for cases filed on or after the date of adjustment.)

- ☒ No
- ☐ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?
- ☐ No
- ☐ Yes

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, number the entries, and attach it to this form. On the top of any additional pages, write your name and case number (if known).

1. Do any creditors have claims secured by your property?

- ☐ No. Check this box and submit this form to the court with your other schedules. You have nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

Part 1: List All Secured Claims

2. List all secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim. If more than one creditor has a particular claim, list the other creditors in Part 2. As much as possible, list the claims in alphabetical order according to the creditor's name.

	Column A Amount of claim Do not deduct the value of collateral.	Column B Value of collateral that supports this claim	Column C Unsecured portion If any
2.1 Gateway Mortgage Group Creditor's Name Attn: Bankruptcy Dept. 244 S Gateway Place Jenks, OK 74037 Number, Street, City, State & Zip Code	\$216,564.00	\$330,000.00	\$0.00
Describe the property that secures the claim: 3901 W Vandalia St Broken Arrow, OK 74012 Tulsa County Legal: Subdivision: PECAN GROVE ESTATES LOT 29 BLOCK 1 Section: 17 Township: 18 Range: 14 As of the date you file, the claim is: Check all that apply. <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Nature of lien. Check all that apply. <input type="checkbox"/> An agreement you made (such as mortgage or secured car loan) <input type="checkbox"/> Statutory lien (such as tax lien, mechanic's lien) <input type="checkbox"/> Judgment lien from a lawsuit <input checked="" type="checkbox"/> Other (including a right to offset) Mortgage			
Who owes the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim relates to a community debt			
Opened 10/17/16 Last Active 4/05/19 Date debt was incurred 4/05/19 Last 4 digits of account number 9695			

Add the dollar value of your entries in Column A on this page. Write that number here:

\$216,564.00

If this is the last page of your form, add the dollar value totals from all pages.

Write that number here:

\$216,564.00**Part 2: List Others to Be Notified for a Debt That You Already Listed**

Use this page only if you have others to be notified about your bankruptcy for a debt that you already listed in Part 1. For example, if a collection agency is trying to collect from you for a debt you owe to someone else, list the creditor in Part 1, and then list the collection agency here. Similarly, if you have more than one creditor for any of the debts that you listed in Part 1, list the additional creditors here. If you do not have additional persons to be notified for any debts in Part 1, do not fill out or submit this page.

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2	Lois May Galaz		
(Spouse if, filing)	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106E/F

Schedule E/F: Creditors Who Have Unsecured Claims**12/15**

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY claims and Part 2 for creditors with NONPRIORITY claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on Schedule A/B: Property (Official Form 106A/B) and on Schedule G: Executory Contracts and Unexpired Leases (Official Form 106G). Do not include any creditors with partially secured claims that are listed in Schedule D: Creditors Who Have Claims Secured by Property. If more space is needed, copy the Part you need, fill it out, number the entries in the boxes on the left. Attach the Continuation Page to this page. If you have no information to report in a Part, do not file that Part. On the top of any additional pages, write your name and case number (if known).

Part 1: List All of Your PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims against you?

☒ No. Go to Part 2.

☐ Yes.
Part 2: List All of Your NONPRIORITY Unsecured Claims

3. Do any creditors have nonpriority unsecured claims against you?

☐ No. You have nothing to report in this part. Submit this form to the court with your other schedules.

☒ Yes.

4. List all of your nonpriority unsecured claims in the alphabetical order of the creditor who holds each claim. If a creditor has more than one nonpriority unsecured claim, list the creditor separately for each claim. For each claim listed, identify what type of claim it is. Do not list claims already included in Part 1. If more than one creditor holds a particular claim, list the other creditors in Part 3. If you have more than three nonpriority unsecured claims fill out the Continuation Page of Part 2.

4.1	Bank Of America Nonpriority Creditor's Name 4909 Savarese Circle FI1-908-01-50 Tampa, FL 33634 Number Street City State Zip Code Who incurred the debt? Check one. <input checked="" type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Last 4 digits of account number 6104 When was the debt incurred? Opened 03/05 Last Active 05/19 As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify Credit Card	Total claim \$2,782.00
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Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

4.2	Capital One Nonpriority Creditor's Name Attn: Bankruptcy Po Box 30285 Salt Lake City, UT 84130 Number Street City State Zip Code Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input checked="" type="checkbox"/> Debtor 2 only <input type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Last 4 digits of account number 7840 Opened 01/00 Last Active 02/19 When was the debt incurred? As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify Credit Card	\$1,344.00
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4.3	Capital One Nonpriority Creditor's Name Attn: Bankruptcy Po Box 30285 Salt Lake City, UT 84130 Number Street City State Zip Code Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input checked="" type="checkbox"/> Debtor 2 only <input type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Last 4 digits of account number 7701 Opened 04/02 Last Active 02/19 When was the debt incurred? As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify Credit Card	\$4,011.00
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4.4	Credit Card Services Nonpriority Creditor's Name Attn: Bankruptcy Dept P. O. Box 7054 Bridgeport, CT 06601 Number Street City State Zip Code Who incurred the debt? Check one. <input type="checkbox"/> Debtor 1 only <input type="checkbox"/> Debtor 2 only <input checked="" type="checkbox"/> Debtor 1 and Debtor 2 only <input type="checkbox"/> At least one of the debtors and another <input type="checkbox"/> Check if this claim is for a community debt Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	Last 4 digits of account number 1325 Opened 07/99 Last Active 02/19 When was the debt incurred? As of the date you file, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Type of NONPRIORITY unsecured claim: <input type="checkbox"/> Student loans <input type="checkbox"/> Obligations arising out of a separation agreement or divorce that you did not report as priority claims <input type="checkbox"/> Debts to pension or profit-sharing plans, and other similar debts <input checked="" type="checkbox"/> Other. Specify Credit Card	\$13,871.00
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Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

4.5

Pentagon Federal Credit Union

Nonpriority Creditor's Name

Last 4 digits of account number **0543****\$43,807.00**

Po Box 1432
Alexandria, VA 22313

Number Street City State Zip Code

Who incurred the debt? Check one.

☐ Debtor 1 only☐ Debtor 2 only☒ Debtor 1 and Debtor 2 only☐ At least one of the debtors and another☐ Check if this claim is for a community debt

Is the claim subject to offset?

☒ No☐ Yes

When was the debt incurred?

Opened 06/09 Last Active
01/19

As of the date you file, the claim is: Check all that apply

☐ Contingent☐ Unliquidated☐ Disputed

Type of NONPRIORITY unsecured claim:

☐ Student loans☐ Obligations arising out of a separation agreement or divorce that you did not report as priority claims☐ Debts to pension or profit-sharing plans, and other similar debts☒ Other. Specify **Credit Card****Part 3: List Others to Be Notified About a Debt That You Already Listed**

5. Use this page only if you have others to be notified about your bankruptcy, for a debt that you already listed in Parts 1 or 2. For example, if a collection agency is trying to collect from you for a debt you owe to someone else, list the original creditor in Parts 1 or 2, then list the collection agency here. Similarly, if you have more than one creditor for any of the debts that you listed in Parts 1 or 2, list the additional creditors here. If you do not have additional persons to be notified for any debts in Parts 1 or 2, do not fill out or submit this page.

Part 4: Add the Amounts for Each Type of Unsecured Claim

6. Total the amounts of certain types of unsecured claims. This information is for statistical reporting purposes only. 28 U.S.C. §159. Add the amounts for each type of unsecured claim.

		Total Claim	
Total claims from Part 1	6a. Domestic support obligations	6a.	\$ 0.00
	6b. Taxes and certain other debts you owe the government	6b.	\$ 0.00
	6c. Claims for death or personal injury while you were intoxicated	6c.	\$ 0.00
	6d. Other. Add all other priority unsecured claims. Write that amount here.	6d.	\$ 0.00
	6e. Total Priority. Add lines 6a through 6d.	6e.	\$ 0.00
Total claims from Part 2	6f. Student loans	6f.	\$ 0.00
	6g. Obligations arising out of a separation agreement or divorce that you did not report as priority claims	6g.	\$ 0.00
	6h. Debts to pension or profit-sharing plans, and other similar debts	6h.	\$ 0.00
	6i. Other. Add all other nonpriority unsecured claims. Write that amount here.	6i.	\$ 65,815.00
	6j. Total Nonpriority. Add lines 6f through 6i.	6j.	\$ 65,815.00

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing
Official Form 106G**Schedule G: Executory Contracts and Unexpired Leases**

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the additional page, fill it out, number the entries, and attach it to this page. On the top of any additional pages, write your name and case number (if known).

1. **Do you have any executory contracts or unexpired leases?**
☐ No. Check this box and file this form with the court with your other schedules. You have nothing else to report on this form.
☒ Yes. Fill in all of the information below even if the contacts of leases are listed on *Schedule A/B:Property* (Official Form 106 A/B).
2. **List separately each person or company with whom you have the contract or lease. Then state what each contract or lease is for (for example, rent, vehicle lease, cell phone).** See the instructions for this form in the instruction booklet for more examples of executory contracts and unexpired leases.

Person or company with whom you have the contract or lease Name, Number, Street, City, State and ZIP Code		State what the contract or lease is for
2.1	Alert 360 3158 S. 108th Street Suite 220 Tulsa, OK 74146	Three year contract for alarm system service signed October 2016
2.2	Cox Communications PO Box 21039 Tulsa, OK 74121-1039	Three year contract for internet & cable service signed September 2016

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing

Official Form 106H

Schedule H: Your Codebtors

12/15

Codebtors are people or entities who are also liable for any debts you may have. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, and number the entries in the boxes on the left. Attach the Additional Page to this page. On the top of any Additional Pages, write your name and case number (if known). Answer every question.

1. Do you have any codebtors? (If you are filing a joint case, do not list either spouse as a codebtor.)

- ☒ No
☐ Yes

2. Within the last 8 years, have you lived in a community property state or territory? (Community property states and territories include Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin.)

- ☒ No. Go to line 3.
☐ Yes. Did your spouse, former spouse, or legal equivalent live with you at the time?

3. In Column 1, list all of your codebtors. Do not include your spouse as a codebtor if your spouse is filing with you. List the person shown in line 2 again as a codebtor only if that person is a guarantor or cosigner. Make sure you have listed the creditor on Schedule D (Official Form 106D), Schedule E/F (Official Form 106E/F), or Schedule G (Official Form 106G). Use Schedule D, Schedule E/F, or Schedule G to fill out Column 2.

Column 1: Your codebtor

Name, Number, Street, City, State and ZIP Code

Column 2: The creditor to whom you owe the debt

Check all schedules that apply:

3.1

Name

Number	Street		
City		State	ZIP Code

- ☐ Schedule D, line _____
☐ Schedule E/F, line _____
☐ Schedule G, line _____

3.2

Name

Number	Street		
City		State	ZIP Code

- ☐ Schedule D, line _____
☐ Schedule E/F, line _____
☐ Schedule G, line _____

Fill in this information to identify your case:

Debtor 1 Alfredo Carlos Paul GalazDebtor 2 Lois May Galaz

(Spouse, if filing)

United States Bankruptcy Court for the: NORTHERN DISTRICT OF OKLAHOMACase number
(If known)

Check if this is:

☐ An amended filing☐ A supplement showing postpetition chapter 13 income as of the following date:MM / DD / YYYY**Official Form 106I****Schedule I: Your Income**

12/15

Be as complete and accurate as possible. If two married people are filing together (Debtor 1 and Debtor 2), both are equally responsible for supplying correct information. If you are married and not filing jointly, and your spouse is living with you, include information about your spouse. If you are separated and your spouse is not filing with you, do not include information about your spouse. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Employment**1. Fill in your employment information.**

If you have more than one job, attach a separate page with information about additional employers.

Include part-time, seasonal, or self-employed work.

Occupation may include student or homemaker, if it applies.

Employment status**Debtor 1**

- ☐ Employed
☒ Not employed

OccupationRetired**Employer's name****Employer's address****How long employed there?** _____**Debtor 2 or non-filing spouse**

- ☒ Employed
☐ Not employed

Self employed**Real Estate Agent**3901 S. Vandalia St.
Broken Arrow, OK 740123 Months**Part 2: Give Details About Monthly Income**

Estimate monthly income as of the date you file this form. If you have nothing to report for any line, write \$0 in the space. Include your non-filing spouse unless you are separated.

If you or your non-filing spouse have more than one employer, combine the information for all employers for that person on the lines below. If you need more space, attach a separate sheet to this form.

		For Debtor 1	For Debtor 2 or non-filing spouse
2.	List monthly gross wages, salary, and commissions (before all payroll deductions). If not paid monthly, calculate what the monthly wage would be.	2. \$ <u>0.00</u>	\$ <u>0.00</u>
3.	Estimate and list monthly overtime pay.	3. +\$ <u>0.00</u>	+\$ <u>0.00</u>
4.	Calculate gross income. Add line 2 + line 3.	4. \$ <u>0.00</u>	\$ <u>0.00</u>

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

	For Debtor 1	For Debtor 2 or non-filing spouse
Copy line 4 here	4. \$ 0.00	\$ 0.00
5. List all payroll deductions:		
5a. Tax, Medicare, and Social Security deductions	5a. \$ 0.00	\$ 0.00
5b. Mandatory contributions for retirement plans	5b. \$ 0.00	\$ 0.00
5c. Voluntary contributions for retirement plans	5c. \$ 0.00	\$ 0.00
5d. Required repayments of retirement fund loans	5d. \$ 0.00	\$ 0.00
5e. Insurance	5e. \$ 0.00	\$ 0.00
5f. Domestic support obligations	5f. \$ 0.00	\$ 0.00
5g. Union dues	5g. \$ 0.00	\$ 0.00
5h. Other deductions. Specify:	5h.+ \$ 0.00	+ \$ 0.00
6. Add the payroll deductions. Add lines 5a+5b+5c+5d+5e+5f+5g+5h.	6. \$ 0.00	\$ 0.00
7. Calculate total monthly take-home pay. Subtract line 6 from line 4.	7. \$ 0.00	\$ 0.00
8. List all other income regularly received:		
8a. Net income from rental property and from operating a business, profession, or farm Attach a statement for each property and business showing gross receipts, ordinary and necessary business expenses, and the total monthly net income.	8a. \$ 0.00	\$ 67.34
8b. Interest and dividends	8b. \$ 0.00	\$ 0.00
8c. Family support payments that you, a non-filing spouse, or a dependent regularly receive Include alimony, spousal support, child support, maintenance, divorce settlement, and property settlement.	8c. \$ 0.00	\$ 0.00
8d. Unemployment compensation	8d. \$ 0.00	\$ 0.00
8e. Social Security	8e. \$ 1,884.00	\$ 1,377.00
8f. Other government assistance that you regularly receive Include cash assistance and the value (if known) of any non-cash assistance that you receive, such as food stamps (benefits under the Supplemental Nutrition Assistance Program) or housing subsidies. Specify:	8f. \$ 0.00	\$ 0.00
8g. Pension or retirement income	8g. \$ 1,021.00	\$ 1,223.00
8h. Other monthly income. Specify: Annuity Pension	8h.+ \$ 83.00	+ \$ 0.00
9. Add all other income. Add lines 8a+8b+8c+8d+8e+8f+8g+8h.	9. \$ 2,988.00	\$ 2,667.34
10. Calculate monthly income. Add line 7 + line 9. Add the entries in line 10 for Debtor 1 and Debtor 2 or non-filing spouse.	10. \$ 2,988.00 + \$ 2,667.34	= \$ 5,655.34
11. State all other regular contributions to the expenses that you list in Schedule J. Include contributions from an unmarried partner, members of your household, your dependents, your roommates, and other friends or relatives. Do not include any amounts already included in lines 2-10 or amounts that are not available to pay expenses listed in Schedule J. Specify:		
	11. +\$	0.00
12. Add the amount in the last column of line 10 to the amount in line 11. The result is the combined monthly income. Write that amount on the <i>Summary of Schedules</i> and <i>Statistical Summary of Certain Liabilities and Related Data</i> , if it applies	12. \$	5,655.34
13. Do you expect an increase or decrease within the year after you file this form?		
<input type="checkbox"/> No.		
<input checked="" type="checkbox"/> Yes. Explain: Lios Galaz is seeking her realtor's license, and hopes she will be profitable int the future, but has not had any income yet.		

Fill in this information to identify your case:

Debtor 1 Alfredo Carlos Paul Galaz

Debtor 2 Lois May Galaz
(Spouse, if filing)

United States Bankruptcy Court for the: NORTHERN DISTRICT OF OKLAHOMA

Case number
(If known) _____

Check if this is:

- ☐ An amended filing
- ☐ A supplement showing postpetition chapter 13 expenses as of the following date:

MM / DD / YYYY

Official Form 106J

Schedule J: Your Expenses

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach another sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Describe Your Household

1. Is this a joint case?

☐ No. Go to line 2.☒ Yes. Does Debtor 2 live in a separate household?☒ No☐ Yes. Debtor 2 must file Official Form 106J-2, *Expenses for Separate Household* of Debtor 2.2. Do you have dependents? ☒ No

Do not list Debtor 1 and Debtor 2.

☐ Yes. Fill out this information for each dependent.....

Do not state the dependents names.

Dependent's relationship to Debtor 1 or Debtor 2

Dependent's age

Does dependent live with you?

- ☐ No
- ☐ Yes
- ☐ No
- ☐ Yes
- ☐ No
- ☐ Yes
- ☐ No
- ☐ Yes

3. Do your expenses include expenses of people other than yourself and your dependents? ☒ No ☐ Yes

Part 2: Estimate Your Ongoing Monthly Expenses

Estimate your expenses as of your bankruptcy filing date unless you are using this form as a supplement in a Chapter 13 case to report expenses as of a date after the bankruptcy is filed. If this is a supplemental *Schedule J*, check the box at the top of the form and fill in the applicable date.

Include expenses paid for with non-cash government assistance if you know the value of such assistance and have included it on *Schedule I: Your Income* (Official Form 106I.)

Your expenses

4. The rental or home ownership expenses for your residence. Include first mortgage payments and any rent for the ground or lot.

4. \$ 1,502.00

If not included in line 4:

4a. Real estate taxes

4a. \$ 0.00

4b. Property, homeowner's, or renter's insurance

4b. \$ 0.00

4c. Home maintenance, repair, and upkeep expenses

4c. \$ 150.00

4d. Homeowner's association or condominium dues

4d. \$ 29.00

5. Additional mortgage payments for your residence, such as home equity loans

5. \$ 0.00

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

6. Utilities:		
6a. Electricity, heat, natural gas	6a. \$	305.00
6b. Water, sewer, garbage collection	6b. \$	125.00
6c. Telephone, cell phone, Internet, satellite, and cable services	6c. \$	345.00
6d. Other. Specify: _____	6d. \$	0.00
7. Food and housekeeping supplies	7. \$	800.00
8. Childcare and children's education costs	8. \$	0.00
9. Clothing, laundry, and dry cleaning	9. \$	174.00
10. Personal care products and services	10. \$	180.00
11. Medical and dental expenses	11. \$	300.00
12. Transportation. Include gas, maintenance, bus or train fare. Do not include car payments.	12. \$	250.00
13. Entertainment, clubs, recreation, newspapers, magazines, and books	13. \$	150.00
14. Charitable contributions and religious donations	14. \$	0.00
15. Insurance. Do not include insurance deducted from your pay or included in lines 4 or 20.		
15a. Life insurance	15a. \$	0.00
15b. Health insurance	15b. \$	0.00
15c. Vehicle insurance	15c. \$	81.00
15d. Other insurance. Specify: Appliance Insurance	15d. \$	62.00
16. Taxes. Do not include taxes deducted from your pay or included in lines 4 or 20. Specify: _____		
16. \$		0.00
17. Installment or lease payments:		
17a. Car payments for Vehicle 1	17a. \$	0.00
17b. Car payments for Vehicle 2	17b. \$	0.00
17c. Other. Specify: _____	17c. \$	0.00
17d. Other. Specify: _____	17d. \$	0.00
18. Your payments of alimony, maintenance, and support that you did not report as deducted from your pay on line 5, Schedule I, Your Income (Official Form 106I).		
18. \$		0.00
19. Other payments you make to support others who do not live with you.		
19. \$		0.00
20. Other real property expenses not included in lines 4 or 5 of this form or on Schedule I: Your Income.		
20a. Mortgages on other property	20a. \$	0.00
20b. Real estate taxes	20b. \$	0.00
20c. Property, homeowner's, or renter's insurance	20c. \$	0.00
20d. Maintenance, repair, and upkeep expenses	20d. \$	0.00
20e. Homeowner's association or condominium dues	20e. \$	0.00
21. Other: Specify: Alert Alarm	21. +\$	35.00
22. Calculate your monthly expenses		
22a. Add lines 4 through 21.	<div style="border: 1px solid black; padding: 5px;"> \$ 4,488.00 \$ \$ 4,488.00 </div>	
22b. Copy line 22 (monthly expenses for Debtor 2), if any, from Official Form 106J-2		
22c. Add line 22a and 22b. The result is your monthly expenses.		
23. Calculate your monthly net income.		
23a. Copy line 12 (<i>your combined monthly income</i>) from Schedule I.	23a. \$	5,655.34
23b. Copy your monthly expenses from line 22c above.	23b. -\$	4,488.00
23c. Subtract your monthly expenses from your monthly income. The result is your <i>monthly net income</i> .		
23c. \$		1,167.34
24. Do you expect an increase or decrease in your expenses within the year after you file this form? For example, do you expect to finish paying for your car loan within the year or do you expect your mortgage payment to increase or decrease because of a modification to the terms of your mortgage?		
<input checked="" type="checkbox"/> No.		
<input type="checkbox"/> Yes. Explain here:		

Fill in this information to identify your case:

Debtor 1 **Alfredo Carlos Paul Galaz**
First Name Middle Name Last Name

Debtor 2 **Lois May Galaz**
(Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: **NORTHERN DISTRICT OF OKLAHOMA**

Case number _____
(if known)

☐ Check if this is an amended filing

Official Form 106Dec

Declaration About an Individual Debtor's Schedules

12/15

If two married people are filing together, both are equally responsible for supplying correct information.

You must file this form whenever you file bankruptcy schedules or amended schedules. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Sign Below

Did you pay or agree to pay someone who is NOT an attorney to help you fill out bankruptcy forms?

☒ No

☐ Yes. Name of person _____

Attach Bankruptcy Petition Preparer's Notice, Declaration, and Signature (Official Form 119)

Under penalty of perjury, I declare that I have read the summary and schedules filed with this declaration and that they are true and correct.

X /s/ Alfredo Carlos Paul Galaz

Alfredo Carlos Paul Galaz

Signature of Debtor 1

Date **May 24, 2019**

X /s/ Lois May Galaz

Lois May Galaz

Signature of Debtor 2

Date **May 24, 2019**

Fill in this information to identify your case:

Debtor 1	Alfredo Carlos Paul Galaz		
	First Name	Middle Name	Last Name
Debtor 2 (Spouse if, filing)	Lois May Galaz		
	First Name	Middle Name	Last Name
United States Bankruptcy Court for the:	NORTHERN DISTRICT OF OKLAHOMA		
Case number (if known)			

☐ Check if this is an amended filing
Official Form 107**Statement of Financial Affairs for Individuals Filing for Bankruptcy**

4/19

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part 1: Give Details About Your Marital Status and Where You Lived Before**1. What is your current marital status?**

- ☒ Married
☐ Not married

2. During the last 3 years, have you lived anywhere other than where you live now?

- ☐ No
☒ Yes. List all of the places you lived in the last 3 years. Do not include where you live now.

Debtor 1 Prior Address:

**508 Red Cloud Drive
Harker Heights, TX 76548**

Dates Debtor 1 lived there

From-To:
**August
1997-August
2016**

Debtor 2 Prior Address:

☒ Same as Debtor 1

Dates Debtor 2 lived there

☒ Same as Debtor 1
From-To:

3. Within the last 8 years, did you ever live with a spouse or legal equivalent in a community property state or territory? (*Community property states and territories include Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington and Wisconsin.*)

- ☒ No
☐ Yes. Make sure you fill out *Schedule H: Your Creditors* (Official Form 106H).

Part 2 Explain the Sources of Your Income**4. Did you have any income from employment or from operating a business during this year or the two previous calendar years?**

Fill in the total amount of income you received from all jobs and all businesses, including part-time activities. If you are filing a joint case and you have income that you receive together, list it only once under Debtor 1.

- ☐ No
☒ Yes. Fill in the details.

Debtor 1

Sources of income
Check all that apply.

Gross income
(before deductions and exclusions)

Debtor 2

Sources of income
Check all that apply.

Gross income
(before deductions and exclusions)

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

	Debtor 1		Debtor 2
	Sources of income Check all that apply.	Gross income (before deductions and exclusions)	Sources of income Check all that apply.
From January 1 of current year until the date you filed for bankruptcy:	<input type="checkbox"/> Wages, commissions, bonuses, tips <input type="checkbox"/> Operating a business	\$0.00	<input type="checkbox"/> Wages, commissions, bonuses, tips <input checked="" type="checkbox"/> Operating a business
			\$642.34

5. Did you receive any other income during this year or the two previous calendar years?

Include income regardless of whether that income is taxable. Examples of *other income* are alimony; child support; Social Security, unemployment, and other public benefit payments; pensions; rental income; interest; dividends; money collected from lawsuits; royalties; and gambling and lottery winnings. If you are filing a joint case and you have income that you received together, list it only once under Debtor 1.

List each source and the gross income from each source separately. Do not include income that you listed in line 4.

- ☐ No
☒ Yes. Fill in the details.

	Debtor 1		Debtor 2
	Sources of income Describe below.	Gross income from each source (before deductions and exclusions)	Sources of income Describe below.
From January 1 of current year until the date you filed for bankruptcy:	Social Security, Pensions, and Annuities	\$2,988.00	Social Security, Pensions, and Annuities
			\$2,600.00
For last calendar year: (January 1 to December 31, 2018)	Social Security	\$26,508.00	Social Security
			\$20,412.00
	Pensions and Annuities	\$27,924.00	
For the calendar year before that: (January 1 to December 31, 2017)	Social Security	\$45,984.00	Social Security, Pensions, and Annuities
			\$0.00
	Pensions and Annuities	\$30,482.00	

Part 3: List Certain Payments You Made Before You Filed for Bankruptcy

6. Are either Debtor 1's or Debtor 2's debts primarily consumer debts?

- ☐ No. **Neither Debtor 1 nor Debtor 2 has primarily consumer debts.** *Consumer debts* are defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."

During the 90 days before you filed for bankruptcy, did you pay any creditor a total of \$6,825* or more?

- ☐ No. Go to line 7.
☐ Yes List below each creditor to whom you paid a total of \$6,825* or more in one or more payments and the total amount you paid that creditor. Do not include payments for domestic support obligations, such as child support and alimony. Also, do not include payments to an attorney for this bankruptcy case.

* Subject to adjustment on 4/01/22 and every 3 years after that for cases filed on or after the date of adjustment.

- ☒ Yes. **Debtor 1 or Debtor 2 or both have primarily consumer debts.**

During the 90 days before you filed for bankruptcy, did you pay any creditor a total of \$600 or more?

- ☐ No. Go to line 7.
☒ Yes List below each creditor to whom you paid a total of \$600 or more and the total amount you paid that creditor. Do not include payments for domestic support obligations, such as child support and alimony. Also, do not include payments to an attorney for this bankruptcy case.

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

Creditor's Name and Address	Dates of payment	Total amount paid	Amount you still owe	Was this payment for ...
Gateway Mortgage Group Attn: Bankruptcy Dept. 244 S Gateway Place Jenks, OK 74037	Monthly mortgage payment	\$1,502.00	\$218,141.00	<input checked="" type="checkbox"/> Mortgage <input type="checkbox"/> Car <input type="checkbox"/> Credit Card <input type="checkbox"/> Loan Repayment <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Other___
Bank of Oklahoma PO Box 248817 Oklahoma City, OK 73126	April 2019 paid daughter's mortgage payment, no further payments made.	\$1,200.00	\$0.00	<input checked="" type="checkbox"/> Mortgage <input type="checkbox"/> Car <input type="checkbox"/> Credit Card <input type="checkbox"/> Loan Repayment <input type="checkbox"/> Suppliers or vendors <input checked="" type="checkbox"/> Other___
Coldwell Banker 8990 South Sheridan Rd Tulsa, OK 74133	April 3, 2019	\$1,270.00	\$0.00	<input type="checkbox"/> Mortgage <input type="checkbox"/> Car <input type="checkbox"/> Credit Card <input type="checkbox"/> Loan Repayment <input type="checkbox"/> Suppliers or vendors <input checked="" type="checkbox"/> Other <u>Annual real estate fees</u>

7. **Within 1 year before you filed for bankruptcy, did you make a payment on a debt you owed anyone who was an insider?**
Insiders include your relatives; any general partners; relatives of any general partners; partnerships of which you are a general partner; corporations of which you are an officer, director, person in control, or owner of 20% or more of their voting securities; and any managing agent, including one for a business you operate as a sole proprietor. 11 U.S.C. § 101. Include payments for domestic support obligations, such as child support and alimony.

- ☒ No
☐ Yes. List all payments to an insider.

Insider's Name and Address	Dates of payment	Total amount paid	Amount you still owe	Reason for this payment
----------------------------	------------------	-------------------	----------------------	-------------------------

8. **Within 1 year before you filed for bankruptcy, did you make any payments or transfer any property on account of a debt that benefited an insider?**
 Include payments on debts guaranteed or cosigned by an insider.

- ☒ No
☐ Yes. List all payments to an insider

Insider's Name and Address	Dates of payment	Total amount paid	Amount you still owe	Reason for this payment Include creditor's name
----------------------------	------------------	-------------------	----------------------	--

Part 4: Identify Legal Actions, Repossessions, and Foreclosures

9. **Within 1 year before you filed for bankruptcy, were you a party in any lawsuit, court action, or administrative proceeding?**
 List all such matters, including personal injury cases, small claims actions, divorces, collection suits, paternity actions, support or custody modifications, and contract disputes.

- ☒ No
☐ Yes. Fill in the details.

Case title Case number	Nature of the case	Court or agency	Status of the case
---------------------------	--------------------	-----------------	--------------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

10. **Within 1 year before you filed for bankruptcy, was any of your property repossessed, foreclosed, garnished, attached, seized, or levied?**
 Check all that apply and fill in the details below.

- ☐ No. Go to line 11.
☐ Yes. Fill in the information below.

Creditor Name and Address	Describe the Property Explain what happened	Date	Value of the property
---------------------------	--	------	-----------------------

11. **Within 90 days before you filed for bankruptcy, did any creditor, including a bank or financial institution, set off any amounts from your accounts or refuse to make a payment because you owed a debt?**

- ☐ No
☐ Yes. Fill in the details.

Creditor Name and Address	Describe the action the creditor took	Date action was taken	Amount
---------------------------	---------------------------------------	-----------------------	--------

12. **Within 1 year before you filed for bankruptcy, was any of your property in the possession of an assignee for the benefit of creditors, a court-appointed receiver, a custodian, or another official?**

- ☐ No
☐ Yes

Part 5: List Certain Gifts and Contributions

13. **Within 2 years before you filed for bankruptcy, did you give any gifts with a total value of more than \$600 per person?**

- ☐ No
☐ Yes. Fill in the details for each gift.

Gifts with a total value of more than \$600 per person Person to Whom You Gave the Gift and Address:	Describe the gifts	Dates you gave the gifts	Value
---	--------------------	--------------------------	-------

14. **Within 2 years before you filed for bankruptcy, did you give any gifts or contributions with a total value of more than \$600 to any charity?**

- ☐ No
☐ Yes. Fill in the details for each gift or contribution.

Gifts or contributions to charities that total more than \$600 Charity's Name Address (Number, Street, City, State and ZIP Code)	Describe what you contributed	Dates you contributed	Value
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Part 6: List Certain Losses

15. **Within 1 year before you filed for bankruptcy or since you filed for bankruptcy, did you lose anything because of theft, fire, other disaster, or gambling?**

- ☐ No
☐ Yes. Fill in the details.

Describe the property you lost and how the loss occurred	Describe any insurance coverage for the loss Include the amount that insurance has paid. List pending insurance claims on line 33 of <i>Schedule A/B: Property</i> .	Date of your loss	Value of property lost
--	---	-------------------	------------------------

Part 7: List Certain Payments or Transfers

16. **Within 1 year before you filed for bankruptcy, did you or anyone else acting on your behalf pay or transfer any property to anyone you consulted about seeking bankruptcy or preparing a bankruptcy petition?**

Include any attorneys, bankruptcy petition preparers, or credit counseling agencies for services required in your bankruptcy.

- ☐ No
☐ Yes. Fill in the details.

Person Who Was Paid Address Email or website address Person Who Made the Payment, if Not You	Description and value of any property transferred	Date payment or transfer was made	Amount of payment
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Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Person Who Was Paid Address Email or website address Person Who Made the Payment, if Not You	Description and value of any property transferred	Date payment or transfer was made	Amount of payment
Brown Law Firm PC 715 S. Elgin Ave. Tulsa, OK 74120 ron@ronbrownlaw.com	Attorney Fees		\$1,500.00
Evergreen Financial Counseling PO Box 3801 Salem, OR 97302	Credit Counseling Certificate	01/28/2019	\$19.99

17. Within 1 year before you filed for bankruptcy, did you or anyone else acting on your behalf pay or transfer any property to anyone who promised to help you deal with your creditors or to make payments to your creditors?
 Do not include any payment or transfer that you listed on line 16.

- ☒ No
☐ Yes. Fill in the details.

Person Who Was Paid Address	Description and value of any property transferred	Date payment or transfer was made	Amount of payment
--------------------------------	---	-----------------------------------	-------------------

18. Within 2 years before you filed for bankruptcy, did you sell, trade, or otherwise transfer any property to anyone, other than property transferred in the ordinary course of your business or financial affairs?
 Include both outright transfers and transfers made as security (such as the granting of a security interest or mortgage on your property). Do not include gifts and transfers that you have already listed on this statement.

- ☐ No
☒ Yes. Fill in the details.

Person Who Received Transfer Address Person's relationship to you	Description and value of property transferred	Describe any property or payments received or debts paid in exchange	Date transfer was made
Ruth Galaz Ex-wife	Worldwide Subsidy, business that was transferred to ex-wife in January of 2018. Business was inactive, \$0 FMV. Collected royalties from TV programs and copyrights.	None	1/1/2018
Kelli Carpenter 1616 S Fir Ave Broken Arrow, OK 74012	Attorney services for daughter during lengthy divorce and custody battle, total fees to date are \$17,000	\$17,000	In installments from January 2018 to date

19. Within 10 years before you filed for bankruptcy, did you transfer any property to a self-settled trust or similar device of which you are a beneficiary? (These are often called *asset-protection devices*.)

- ☒ No
☐ Yes. Fill in the details.

Name of trust	Description and value of the property transferred	Date Transfer was made
---------------	---	------------------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known)

Part 8: List of Certain Financial Accounts, Instruments, Safe Deposit Boxes, and Storage Units

20. Within 1 year before you filed for bankruptcy, were any financial accounts or instruments held in your name, or for your benefit, closed, sold, moved, or transferred?
 Include checking, savings, money market, or other financial accounts; certificates of deposit; shares in banks, credit unions, brokerage houses, pension funds, cooperatives, associations, and other financial institutions.

☐ No

☐ Yes. Fill in the details.

Name of Financial Institution and Address (Number, Street, City, State and ZIP Code)	Last 4 digits of account number	Type of account or instrument	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
--	---------------------------------	-------------------------------	--	---

21. Do you now have, or did you have within 1 year before you filed for bankruptcy, any safe deposit box or other depository for securities, cash, or other valuables?

☐ No

☐ Yes. Fill in the details.

Name of Financial Institution Address (Number, Street, City, State and ZIP Code)	Who else had access to it? Address (Number, Street, City, State and ZIP Code)	Describe the contents	Do you still have it?
--	---	-----------------------	-----------------------

22. Have you stored property in a storage unit or place other than your home within 1 year before you filed for bankruptcy?

☐ No

☐ Yes. Fill in the details.

Name of Storage Facility Address (Number, Street, City, State and ZIP Code)	Who else has or had access to it? Address (Number, Street, City, State and ZIP Code)	Describe the contents	Do you still have it?
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Part 9: Identify Property You Hold or Control for Someone Else

23. Do you hold or control any property that someone else owns? Include any property you borrowed from, are storing for, or hold in trust for someone.

☐ No

☐ Yes. Fill in the details.

Owner's Name Address (Number, Street, City, State and ZIP Code)	Where is the property? (Number, Street, City, State and ZIP Code)	Describe the property	Value
---	---	-----------------------	-------

Part 10: Give Details About Environmental Information

For the purpose of Part 10, the following definitions apply:

- ☐ **Environmental law** means any federal, state, or local statute or regulation concerning pollution, contamination, releases of hazardous or toxic substances, wastes, or material into the air, land, soil, surface water, groundwater, or other medium, including statutes or regulations controlling the cleanup of these substances, wastes, or material.
- ☐ **Site** means any location, facility, or property as defined under any environmental law, whether you now own, operate, or utilize it or used to own, operate, or utilize it, including disposal sites.
- ☐ **Hazardous material** means anything an environmental law defines as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, contaminant, or similar term.

Report all notices, releases, and proceedings that you know about, regardless of when they occurred.

24. Has any governmental unit notified you that you may be liable or potentially liable under or in violation of an environmental law?

☐ No

☐ Yes. Fill in the details.

Name of site Address (Number, Street, City, State and ZIP Code)	Governmental unit Address (Number, Street, City, State and ZIP Code)	Environmental law, if you know it	Date of notice
---	--	-----------------------------------	----------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number *(if known)*

25. Have you notified any governmental unit of any release of hazardous material?

- ☒ No
☐ Yes. Fill in the details.

Name of site Address (Number, Street, City, State and ZIP Code)	Governmental unit Address (Number, Street, City, State and ZIP Code)	Environmental law, if you know it	Date of notice
--	---	-----------------------------------	----------------

26. Have you been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

- ☒ No
☐ Yes. Fill in the details.

Case Title Case Number	Court or agency Name Address (Number, Street, City, State and ZIP Code)	Nature of the case	Status of the case
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Part 11: Give Details About Your Business or Connections to Any Business

27. Within 4 years before you filed for bankruptcy, did you own a business or have any of the following connections to any business?

- ☒ A sole proprietor or self-employed in a trade, profession, or other activity, either full-time or part-time
☒ A member of a limited liability company (LLC) or limited liability partnership (LLP)
☐ A partner in a partnership
☐ An officer, director, or managing executive of a corporation
☐ An owner of at least 5% of the voting or equity securities of a corporation
☐ No. None of the above applies. Go to Part 12.

- ☒ Yes. Check all that apply above and fill in the details below for each business.

Business Name Address (Number, Street, City, State and ZIP Code)	Describe the nature of the business Name of accountant or bookkeeper	Employer Identification number Do not include Social Security number or ITIN. Dates business existed
Segundo Suenos LLC 508 Red Cloud Harker Heights, TX 76548	Royalty holding/collecting company Inactive since 2010, closed in 2018	EIN: 20-3530079 From-To 2005-2018
Sole Proprietorship 3901 West Vandalia Street Broken Arrow, OK 74012	Contract real estate sales through Coldwell Banker	EIN: From-To

28. Within 2 years before you filed for bankruptcy, did you give a financial statement to anyone about your business? Include all financial institutions, creditors, or other parties.

- ☒ No
☐ Yes. Fill in the details below.

Name Address (Number, Street, City, State and ZIP Code)	Date Issued
---	-------------

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Part 12: Sign Below

I have read the answers on this *Statement of Financial Affairs* and any attachments, and I declare under penalty of perjury that the answers are true and correct. I understand that making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

/s/ Alfredo Carlos Paul Galaz

Alfredo Carlos Paul Galaz
 Signature of Debtor 1

/s/ Lois May Galaz

Lois May Galaz
 Signature of Debtor 2

Date May 24, 2019

Date May 24, 2019

Did you attach additional pages to *Your Statement of Financial Affairs for Individuals Filing for Bankruptcy* (Official Form 107)?

- ☒ No
☐ Yes

Did you pay or agree to pay someone who is not an attorney to help you fill out bankruptcy forms?

- ☒ No
☐ Yes. Name of Person _____. Attach the *Bankruptcy Petition Preparer's Notice, Declaration, and Signature* (Official Form 119).

Fill in this information to identify your case:

Debtor 1 **Alfredo Carlos Paul Galaz**
 First Name Middle Name Last Name

Debtor 2 **Lois May Galaz**
 (Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: **NORTHERN DISTRICT OF OKLAHOMA**

Case number _____
 (if known)

☐ Check if this is an amended filing

Official Form 108

Statement of Intention for Individuals Filing Under Chapter 7

12/15

If you are an individual filing under chapter 7, you must fill out this form if:

- ☒ creditors have claims secured by your property, or
- ☒ you have leased personal property and the lease has not expired.

You must file this form with the court within 30 days after you file your bankruptcy petition or by the date set for the meeting of creditors, whichever is earlier, unless the court extends the time for cause. You must also send copies to the creditors and lessors you list on the form

If two married people are filing together in a joint case, both are equally responsible for supplying correct information. Both debtors must sign and date the form.

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known).

Part 1: List Your Creditors Who Have Secured Claims

1. For any creditors that you listed in Part 1 of Schedule D: Creditors Who Have Claims Secured by Property (Official Form 106D), fill in the information below.

Identify the creditor and the property that is collateral	What do you intend to do with the property that secures a debt?	Did you claim the property as exempt on Schedule C?
Creditor's name: Gateway Mortgage Group Description of property securing debt: 3901 W Vandalia St Broken Arrow, OK 74012 Tulsa County Legal: Subdivision: PECAN GROVE ESTATES LOT 29 BLOCK 1 Section: 17 Township: 18 Range: 14	<input type="checkbox"/> Surrender the property. <input type="checkbox"/> Retain the property and redeem it. <input checked="" type="checkbox"/> Retain the property and enter into a <i>Reaffirmation Agreement</i> . <input type="checkbox"/> Retain the property and [explain]: _____	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes

Part 2: List Your Unexpired Personal Property Leases

For any unexpired personal property lease that you listed in Schedule G: Executory Contracts and Unexpired Leases (Official Form 106G), fill in the information below. Do not list real estate leases. Unexpired leases are leases that are still in effect; the lease period has not yet ended. You may assume an unexpired personal property lease if the trustee does not assume it. 11 U.S.C. § 365(p)(2).

Describe your unexpired personal property leases	Will the lease be assumed?
Lessor's name: Description of leased Property:	<input type="checkbox"/> No <input type="checkbox"/> Yes
Lessor's name:	<input type="checkbox"/> No

Debtor 1 **Alfredo Carlos Paul Galaz**
 Debtor 2 **Lois May Galaz**

Case number (if known) _____

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Lessor's name: ☐ No

Description of leased Property: ☐ Yes

Part 3: Sign Below

Under penalty of perjury, I declare that I have indicated my intention about any property of my estate that secures a debt and any personal property that is subject to an unexpired lease.

X /s/ Alfredo Carlos Paul Galaz
Alfredo Carlos Paul Galaz
 Signature of Debtor 1

X /s/ Lois May Galaz
Lois May Galaz
 Signature of Debtor 2

Date May 24, 2019

Date May 24, 2019

Notice Required by 11 U.S.C. § 342(b) for Individuals Filing for Bankruptcy (Form 2010)

This notice is for you if:

You are an individual filing for bankruptcy,
and

Your debts are primarily consumer debts.
Consumer debts are defined in 11 U.S.C.
§ 101(8) as "incurred by an individual
primarily for a personal, family, or
household purpose."

The types of bankruptcy that are available to individuals

Individuals who meet the qualifications may file under
one of four different chapters of Bankruptcy Code:

Chapter 7 - Liquidation

Chapter 11 - Reorganization

Chapter 12 - Voluntary repayment plan
for family farmers or
fishermen

Chapter 13 - Voluntary repayment plan
for individuals with regular
income

**You should have an attorney review your
decision to file for bankruptcy and the choice of
chapter.**

Chapter 7: Liquidation

\$245	filing fee
\$75	administrative fee
<u>+ \$15</u>	<u>trustee surcharge</u>
\$335	total fee

Chapter 7 is for individuals who have financial difficulty preventing them from paying their debts and who are willing to allow their nonexempt property to be used to pay their creditors. The primary purpose of filing under chapter 7 is to have your debts discharged. The bankruptcy discharge relieves you after bankruptcy from having to pay many of your pre-bankruptcy debts. Exceptions exist for particular debts, and liens on property may still be enforced after discharge. For example, a creditor may have the right to foreclose a home mortgage or repossess an automobile.

However, if the court finds that you have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny your discharge.

You should know that even if you file chapter 7 and you receive a discharge, some debts are not discharged under the law. Therefore, you may still be responsible to pay:

most taxes;

most student loans;

domestic support and property settlement obligations;

most fines, penalties, forfeitures, and criminal restitution obligations; and

certain debts that are not listed in your bankruptcy papers.

You may also be required to pay debts arising from:

fraud or theft;

fraud or defalcation while acting in breach of fiduciary capacity;

intentional injuries that you inflicted; and

death or personal injury caused by operating a motor vehicle, vessel, or aircraft while intoxicated from alcohol or drugs.

If your debts are primarily consumer debts, the court can dismiss your chapter 7 case if it finds that you have enough income to repay creditors a certain amount. You must file *Chapter 7 Statement of Your Current Monthly Income* (Official Form 122A-1) if you are an individual filing for bankruptcy under chapter 7. This form will determine your current monthly income and compare whether your income is more than the median income that applies in your state.

If your income is not above the median for your state, you will not have to complete the other chapter 7 form, the *Chapter 7 Means Test Calculation* (Official Form 122A-2).

If your income is above the median for your state, you must file a second form—the *Chapter 7 Means Test Calculation* (Official Form 122A-2). The calculations on the form—sometimes called the *Means Test*—deduct from your income living expenses and payments on certain debts to determine any amount available to pay unsecured creditors. If

your income is more than the median income for your state of residence and family size, depending on the results of the *Means Test*, the U.S. trustee, bankruptcy administrator, or creditors can file a motion to dismiss your case under § 707(b) of the Bankruptcy Code. If a motion is filed, the court will decide if your case should be dismissed. To avoid dismissal, you may choose to proceed under another chapter of the Bankruptcy Code.

If you are an individual filing for chapter 7 bankruptcy, the trustee may sell your property to pay your debts, subject to your right to exempt the property or a portion of the proceeds from the sale of the property. The property, and the proceeds from property that your bankruptcy trustee sells or liquidates that you are entitled to, is called *exempt property*. Exemptions may enable you to keep your home, a car, clothing, and household items or to receive some of the proceeds if the property is sold.

Exemptions are not automatic. To exempt property, you must list it on *Schedule C: The Property You Claim as Exempt* (Official Form 106C). If you do not list the property, the trustee may sell it and pay all of the proceeds to your creditors.

Chapter 11: Reorganization

	\$1,167	filing fee
+	\$550	administrative fee
	\$1,717	total fee

Chapter 11 is often used for reorganizing a business, but is also available to individuals. The provisions of chapter 11 are too complicated to summarize briefly.

Read These Important Warnings

Because bankruptcy can have serious long-term financial and legal consequences, including loss of your property, you should hire an attorney and carefully consider all of your options before you file. Only an attorney can give you legal advice about what can happen as a result of filing for bankruptcy and what your options are. If you do file for bankruptcy, an attorney can help you fill out the forms properly and protect you, your family, your home, and your possessions.

Although the law allows you to represent yourself in bankruptcy court, you should understand that many people find it difficult to represent themselves successfully. The rules are technical, and a mistake or inaction may harm you. If you file without an attorney, you are still responsible for knowing and following all of the legal requirements.

You should not file for bankruptcy if you are not eligible to file or if you do not intend to file the necessary documents.

Bankruptcy fraud is a serious crime; you could be fined and imprisoned if you commit fraud in your bankruptcy case. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Chapter 12: Repayment plan for family farmers or fishermen

	\$200	filing fee
+	\$75	administrative fee
	\$275	total fee

Similar to chapter 13, chapter 12 permits family farmers and fishermen to repay their debts over a period of time using future earnings and to discharge some debts that are not paid.

Chapter 13: Repayment plan for individuals with regular income

	\$235	filing fee
+	\$75	administrative fee
	\$310	total fee

Chapter 13 is for individuals who have regular income and would like to pay all or part of their debts in installments over a period of time and to discharge some debts that are not paid. You are eligible for chapter 13 only if your debts are not more than certain dollar amounts set forth in 11 U.S.C. § 109.

Under chapter 13, you must file with the court a plan to repay your creditors all or part of the money that you owe them, usually using your future earnings. If the court approves your plan, the court will allow you to repay your debts, as adjusted by the plan, within 3 years or 5 years, depending on your income and other factors.

After you make all the payments under your plan, many of your debts are discharged. The debts that are not discharged and that you may still be responsible to pay include:

- domestic support obligations,
- most student loans,
- certain taxes,
- debts for fraud or theft,
- debts for fraud or defalcation while acting in a fiduciary capacity,
- most criminal fines and restitution obligations,
- certain debts that are not listed in your bankruptcy papers,
- certain debts for acts that caused death or personal injury, and
- certain long-term secured debts.

Warning: File Your Forms on Time

Section 521(a)(1) of the Bankruptcy Code requires that you promptly file detailed information about your creditors, assets, liabilities, income, expenses and general financial condition. The court may dismiss your bankruptcy case if you do not file this information within the deadlines set by the Bankruptcy Code, the Bankruptcy Rules, and the local rules of the court.

For more information about the documents and their deadlines, go to:
http://www.uscourts.gov/bkforms/bankruptcy_forms.html#procedure.

Bankruptcy crimes have serious consequences

If you knowingly and fraudulently conceal assets or make a false oath or statement under penalty of perjury—either orally or in writing—in connection with a bankruptcy case, you may be fined, imprisoned, or both.

All information you supply in connection with a bankruptcy case is subject to examination by the Attorney General acting through the Office of the U.S. Trustee, the Office of the U.S. Attorney, and other offices and employees of the U.S. Department of Justice.

Make sure the court has your mailing address

The bankruptcy court sends notices to the mailing address you list on *Voluntary Petition for Individuals Filing for Bankruptcy* (Official Form 101). To ensure that you receive information about your case, Bankruptcy Rule 4002 requires that you notify the court of any changes in your address.

A married couple may file a bankruptcy case together—called a *joint case*. If you file a joint case and each spouse lists the same mailing address on the bankruptcy petition, the bankruptcy court generally will mail you and your spouse one copy of each notice, unless you file a statement with the court asking that each spouse receive separate copies.

Understand which services you could receive from credit counseling agencies

The law generally requires that you receive a credit counseling briefing from an approved credit counseling agency. 11 U.S.C. § 109(h). If you are filing a joint case, both spouses must receive the briefing. With limited exceptions, you must receive it within the 180 days **before** you file your bankruptcy petition. This briefing is usually conducted by telephone or on the Internet.

In addition, after filing a bankruptcy case, you generally must complete a financial management instructional course before you can receive a discharge. If you are filing a joint case, both spouses must complete the course.

You can obtain the list of agencies approved to provide both the briefing and the instructional course from:
http://justice.gov/ust/eo/hapcpa/ccde/cc_approved.html

In Alabama and North Carolina, go to:
<http://www.uscourts.gov/FederalCourts/Bankruptcy/BankruptcyResources/ApprovedCreditAndDebtCounselors.aspx>.

If you do not have access to a computer, the clerk of the bankruptcy court may be able to help you obtain the list.

B2030 (Form 2030) (12/15)

United States Bankruptcy Court
Northern District of Oklahoma

In re **Alfredo Carlos Paul Galaz**
Lois May Galaz

Debtor(s)

Case No.

Chapter

7

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept	\$	1,500.00
Prior to the filing of this statement I have received	\$	1,500.00
Balance Due	\$	0.00

2. The source of the compensation paid to me was:

☒ Debtor ☐ Other (specify):

3. The source of compensation to be paid to me is:

☒ Debtor ☐ Other (specify):

4. ☒ I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

☐ I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
- Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- [Other provisions as needed]

Exemption planning; preparation and filing of reaffirmation agreements and applications as needed; meeting of creditors. In addition to portion of fee paid as stated herein, the court's filing fee and a credit report fee for each party has been paid by client(s).

Also, debtor have been advised they have no legal obligation to pay any outstanding attorney fees owing at time of bankruptcy filing and that payments post-petition are strictly voluntary.

Client may use the services of 722redemption.com to providing funding for redemptions of vehicles; debtor will borrow \$700 from 722redemption.com to pay attorney fees for attorney fees to obtain redemption.

6. By agreement with the debtor(s), the above-disclosed fee does not include the following service:

By agreement with the debtor(s), the above-disclosed fee does not include the following services: Representation of the debtors in any dischargeability actions, judicial lien avoidances, relief from stay actions, 2004 exams or any other adversary or contested matter/proceeding. In Chapter 13 Bankruptcy Cases, attorney time, legal assistant time, and expenses will be billed against the file at the rate of \$275.00 per hour for attorney time, \$75.00 per hour for legal assistant time (or the firm's current billing rates), and actual expenses. If such time and expenses exceed the amount stated above, an application to the Court may be made for additional fees and expenses to be paid through the Chapter 13 Plan or by the Debtor(s) as the Court orders may provide.

In re **Alfredo Carlos Paul Galaz**
Lois May Galaz

Debtor(s)

Case No. _____

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)
(Continuation Sheet)

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

May 24, 2019

Date

/s/ Ron D. Brown OBA

Ron D. Brown OBA 16352

Signature of Attorney

Brown Law Firm PC

715 S. Elgin Ave.

Tulsa, OK 74120

918-585-9500 Fax: 866-552-4874

ron@ronbrownlaw.com

Name of law firm

Revised 02/2012

**United States Bankruptcy Court
Northern District of Oklahoma**

In re **Alfredo Carlos Paul Galaz
Lois May Galaz**

Debtor(s)

Case No.

Chapter

7

VERIFICATION AS TO OFFICIAL CREDITOR LIST

☒ Original
☐ Amendment
☐ Add ☐ Delete

I hereby certify under penalty of perjury that the master mailing list of creditors submitted either on the Creditor List Submission application, or uploaded to the Electronic Case Filing System is a true, correct and complete listing to the best of my knowledge.

I further acknowledge that (1) the accuracy and completeness in preparing the creditor listing are the shared responsibility of the debtor and the debtor's attorney, (2) the court will rely on the creditor listing for all mailings, and (3) that the various schedules and statements required by the Bankruptcy Rules are not used for mailing purposes.

If this filing is an amendment to the creditor list, indicate only the number of creditors being added or to be deleted at this time. (For verification purposes, attach a list of the creditors being submitted, uploaded, or to be deleted.)

7 # of Creditors (or if amended, # of creditors added)

Method of submission:

- a) X uploaded to Electronic Case Filing System; or
 b) _____ Creditor List Submission application (to be used by Pro Se filers, found on the Court's website at www.oknb.uscourts.gov, or available in the Clerk's Office)

_____ # of Creditors (on attached list) to be deleted

/s/ Alfredo Carlos Paul Galaz

Debtor Signature

Address:(if not represented by an attorney)

Phone:(if not represented by an attorney)

/s/ Lois May Galaz

Joint Debtor Signature

Address:(if not represented by an attorney)

Phone:(if not represented by an attorney)

/s/ Ron D. Brown OBA

Attorney Signature

Ron D. Brown OBA 16352

Brown Law Firm PC

715 S. Elgin Ave.

Tulsa, OK 74120-0000

918-585-9500

866-552-4874

ron@ronbrownlaw.com

Date: **May 24, 2019**

[Check if applicable]

____ Creditors with foreign addresses included

Alert 360
3158 S. 108th Street Suite 220
Tulsa, OK 74146

Bank Of America
4909 Savarese Circle
Fl1-908-01-50
Tampa, FL 33634

Capital One
Attn: Bankruptcy
Po Box 30285
Salt Lake City, UT 84130

Cox Communications
PO Box 21039
Tulsa, OK 74121-1039

Credit Card Services
Attn: Bankruptcy Dept
P. O. Box 7054
Bridgeport, CT 06601

Gateway Mortgage Group
Attn: Bankruptcy Dept.
244 S Gateway Place
Jenks, OK 74037

Pentagon Federal Credit Union
Po Box 1432
Alexandria, VA 22313

United States Bankruptcy Court
Northern District of Oklahoma

In re **Alfredo Carlos Paul Galaz**
Lois May Galaz

Debtor(s)

Case No.

Chapter

7

PAYMENT ADVICES CERTIFICATION

(NOTE: A separate form must be filed by **each** debtor in a joint case)

Pursuant to 11 U.S.C. § 521(a)(1)(B)(iv), a debtor shall file copies of *all* payment advices or other evidence of payment (such as paycheck stubs, direct deposit statements, employer's statement of hours and earnings) received from the debtor's employer *within 60 days* before the date the debtor filed his/her bankruptcy case (the "petition date").*

I, **Lois May Galaz** hereby state as follows:

(select one)

- ☐ I have attached hereto, or previously filed with the Court, copies of all payment advices or other evidence of payment received from my employer(s) within 60 days before the petition date.

Number of Employers: _____ Number of Payment Advices received: _____

Number of Payment Advices attached: _____

Period Covered: _____

(If period covered is less than 60 days, attach an explanation.)

If the attached payment advices do not cover the entire 60-day period, describe any "other evidence of payment" that you intend to rely upon. _____.

- ☐ I received payment advices from an employer(s) during the 60 days before the petition date but have not yet located or obtained copies of all of the payment advices. I understand that if I do not file all payment advices or other evidence of payment **within 45 days** from the petition date, my bankruptcy case may be **dismissed**.

Number of Employers: _____ Number of Payment Advices attached: _____

Period Covered: _____

Number of missing Payment Advices: _____ Dates of missing Payment Advices: _____

- ☒ I did not receive any payment advices or other evidence of payment from any employer at any point during the 60 days before the petition date. (If you were employed, attach an explanation of why you did not receive any payment advices from your employer.)

I declare under penalty of perjury that the foregoing statement is true and correct to the best of my knowledge, information and belief.

Date: **May 24, 2019**

/s/ Lois May Galaz

(Signature of Debtor)

Print name: **Lois May Galaz**

* In order to protect the debtor's privacy, all but the last four digits of the Debtor's social security number and financial account number should be redacted from any payment advice. References to dates of birth should contain only the year and names of any minors should be redacted or include only initials.

EXHIBIT 7

MacLean, Matthew J.

From: Brian D. Boydston, Esq. <brianb@ix.netcom.com>
Sent: Monday, November 4, 2019 5:37 PM
To: MacLean, Matthew J.
Cc: Arnold Lutzker; Ben Sternberg; Nyman, Jessica T.; Warley, Michael A.
Subject: Re: Multigroup Claimants

Matt, I fail to see how it is any business of yours who presently owns Multigroup Claimants.

Brian

-----Original Message-----

From: "MacLean, Matthew J."
Sent: Nov 4, 2019 11:59 AM
To: "Brian D. Boydston, Esq."
Cc: Arnold Lutzker , Ben Sternberg , "Nyman, Jessica T." , "Warley, Michael A."
Subject: Re: Multigroup Claimants

Brian,

I have proposed no theories. I have only asked a question. Are you saying definitively that Multigroup Claimants is, and remains, Alfred Galaz, and that Alfred Galaz continues to hold the rights to collect royalties on behalf of those claimants that Multigroup Claimants claims?

Matt

Sent from my iPhone

Matthew J. MacLean | Partner

Pillsbury Winthrop Shaw Pittman LLP

1200 Seventeenth Street NW | Washington, DC 20036-3006

t +1.202.663.8183

matthew.maclea@pillsburylaw.com | website bio

On Nov 4, 2019, at 2:51 PM, Brian D. Boydston, Esq. <brianb@ix.netcom.com> wrote:

*** EXTERNAL EMAIL ***

Matt,

As should be obvious, you are making a comparison between statements of the status quo several years ago with statements regarding the status quo as of a few months ago. You are correct that Al Galaz erred by omitting reference to his prior ownership of Multigroup Claimants (and Spanish Language Producers). This error was inadvertent, an oversight that was recently recognized, and his bankruptcy counsel was already contacted about it. On his counsel's advice,

because the oversight would have had no substantive consequence on the bankruptcy petition, no amendment to the bankruptcy petition was filed.

Regardless, the final determination for distribution of 2010-2013 cable and satellite devotional royalties has already been issued, and the time to appeal such rulings has passed. Consequently, I cannot see how your clients have standing to object to that final determination, or on what basis Multigroup Claimants would not be entitled to the distribution already ordered by the Judges. Contrary to your suggestion, neither the SDC or the Allocation Parties will be distributing royalties to Multigroup Claimants, so your statement regarding "appropriate arrangements" is contrived. Distribution will be from the CRB, not your clients.

You are, of course, free to pursue your theories fabricating malfeasance on the part of Alfred Galaz, Multigroup Claimants, or even the Easter Bunny. I particularly look forward to your accusation that a document executed by Alfred Galaz in front of a notary public is a "forgery".

Seriously, where do you come up with your factual and legal theories?

Brian

-----Original Message-----

From: "MacLean, Matthew J." <matthew.maclea@pillsburylaw.com>

Sent: Nov 1, 2019 11:04 AM

To: "brianb@ix.netcom.com" <brianb@ix.netcom.com>

Cc: 'Arnold Lutzker', Ben Sternberg, "Nyman, Jessica T.", "Warley, Michael A."

arnie@lutzker.com", ben@lutzker.com <ben@lutzker.com>, jessica.nyman@pillsburylaw.com <jessica.nyman@pillsburylaw.com>

michael.warley@pillsburylaw.com <michael.warley@pillsburylaw.com>

Subject: Multigroup Claimants

Brian,

As you know, we have understood from Multigroup Claimants' filings and document productions, and from the attached Certificate of Ownership filed in Bell County, Texas, that Multigroup Claimants is an assumed name of Alfred Galaz as sole proprietor, and that Alfred Galaz d/b/a Multigroup Claimants is the assignee of the rights previously held by Worldwide Subsidy Group, LLC, to collect copyright royalties for cable and satellite royalty years 2010 and beyond.

However, we have recently become aware of the attached bankruptcy petition filed by Alfred Galaz and Lois May Galaz in the U.S. Bankruptcy Court for the Northern District of Oklahoma on May 28, 2019. This petition raises serious questions as to whether Multigroup Claimants is in fact Alfred Galaz, and whether Multigroup Claimants has the right to pursue or collect royalties on behalf of the claimants it has claimed.

In Part 1 of the petition, Alfred Galaz states that he has formerly done business using the names "Segundo Suenos LLC" and "Worldwide Subsidy," but he does not identify

Multigroup Claimants as a current or former business name. In Part 3, he does not identify himself as a sole proprietor of Multigroup Claimants.

In ¶ 19 of Schedule A/B, Alfred Galaz identifies a “sole proprietorship doing contract real estate sales for Coldwell Banker,” but he does not identify Multigroup Claimants or any other business. In ¶¶ 25 and 26, he states that he has no future interests in property and no interests in intellectual property, including, by example, “proceeds from royalties and licensing agreements.” In ¶¶ 30, 33, 34, and 35, he states that there are no other amounts that someone owes him, no claims against third parties, no contingent and unliquidated claims of any nature, and no financial assets not already listed.

In Schedules D and E/F, Alfred Galaz does not identify either Worldwide Subsidy Group, LLC or Multigroup Claimants’ claimed copyright claimants as creditors. In Schedule G, he does not identify any of Multigroup Claimants’ executory contracts, including Multigroup Claimants’ agreement with Worldwide Subsidy Group, LLC or the agency agreements with any claimed copyright claimants.

In ¶ 9 of the Statement of Financial Affairs, Alfred Galaz states that he was not a party in any lawsuit, court action, or administrative proceeding in the year before filing the petition, even though Multigroup Claimants was purportedly a party in at least three administrative proceedings and one appeal before the U.S. Court of Appeals for the D.C. Circuit at the time the petition was filed.

In ¶ 27 of the Statement of Financial Affairs, Alfred Galaz does not identify Multigroup Claimants as a business that he has owned in the last four years, a period of time beginning just a few months after the filing of the Certificate of Ownership.

The only hint in the bankruptcy petition that Alfred Galaz may have ever had any involvement with regard to Worldwide Subsidy Group, LLC’s copyright claimants is in ¶ 18 of the Statement of Financial Affairs. Here, Alfred Galaz again makes no mention of Multigroup Claimants, but he claims that on January 1, 2018, he transferred “Worldwide Subsidy” to his ex-wife Ruth Galaz. In describing “Worldwide Subsidy,” he claims “Business was inactive, \$0 FMV. Collected royalties from TV programs and copyrights.” Based on the description, “Worldwide Subsidy” may have had some past relationship with Worldwide Subsidy Group, LLC, but it cannot be an alternative name for Multigroup Claimants. At any rate, Ruth Galaz never appeared as a party in any copyright royalty proceeding. (We have not located “Worldwide Subsidy” in the Assumed Name Records of Bell County, Texas.)

Alfred and Lois Galaz both signed the petition, declaring “under penalty of perjury that the information provided is true and correct,” and that “I understand making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$250,000, or imprisonment for 20 years, or both.”

Assuming that Alfred Galaz’s statements in his bankruptcy petition were true and correct, as he declared, then he cannot be Multigroup Claimants, and he does not possess and has never possessed the right to pursue and collect copyright royalties on behalf of the claimants that somebody using the name “Multigroup Claimants” has claimed.

Please understand that I do not claim at this time that Alfred Galaz has lied, nor do I claim that Multigroup Claimants is a sham or that the Certificate of Ownership filed in Bell County is a forgery. I simply point out that Alfred Galaz's bankruptcy petition appears to be completely inconsistent with what we have understood Multigroup Claimants to be.

Therefore, I must ask you:

1. Who is Multigroup Claimants? If it is not Alfred Galaz, then who signed the Certificate of Ownership filed in Bell County?
2. On what basis does Multigroup Claimants claim the right to collect copyright royalties on behalf of the claimants that it has purported to represent, when and how was that right created, and who currently claims to be the holder?

There is some urgency in this inquiry. As you may be aware, the Allocation Phase parties are in the process of finalizing a settlement of the 2010-13 satellite royalty years, and we need to make appropriate arrangements to allow for a distribution to Multigroup Claimants as ordered by the Judges (or to make the Judges aware if Multigroup Claimants does not possess a right to receive a distribution). To allow this process to move forward expeditiously, please respond by next Tuesday.

Matt

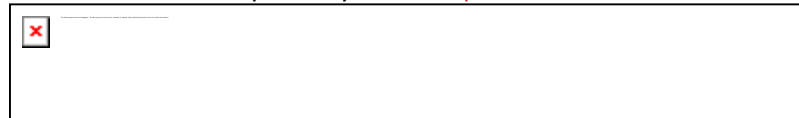
Matthew J. MacLean | Partner

Pillsbury Winthrop Shaw Pittman LLP

1200 Seventeenth Street NW | Washington, DC 20036-3006

t +1.202.663.8183

matthew.maclea@pillsburylaw.com | website bio



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>>><><>

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</michael.warley@pillsburylaw.com><>

EXHIBIT 8

**Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress**

In re

**DISTRIBUTION OF CABLE
ROYALTY FUNDS**

**DISTRIBUTION OF SATELLITE
ROYALTY FUNDS**

**CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-13)**

**DECLARATION OF EVA-MARIE NYE IN SUPPORT OF SETTling DEVOTIONAL
CLAIMANTS' MOTION FOR ORDER TO SHOW CAUSE WHY MULTIGROUP
CLAIMANTS SHOULD NOT BE DISQUALIFIED AS AN AGENT TO RECEIVE
FUNDS ON BEHALF OF CLAIMANTS**

I, Eva-Marie Nye, hereby state and declare as follows:

1. I am the Director of Research Services for the law firm Pillsbury Winthrop Shaw Pittman LLP. I have a B.A. in English from Virginia Polytechnic Institute and State University and an M.L.S. from The Catholic University of America School of Library and Information Science. I have been employed as a librarian by Pillsbury Winthrop Shaw Pittman and Shaw Pittman Potts and Trowbridge since October, 5, 1998.
2. Counsel for the Settling Devotional Claimants asked me to research whether "Multigroup Claimants" remains a registered assumed business name of Alfred Galaz in Bell County, Texas, and whether there is any evidence that the name or assets associated with Multigroup Claimants has been transferred to or assumed by any other person. Counsel also asked me if I could locate any assumed business names associated with any of the following individuals or entities:

"Worldwide Subsidy," "Worldwide Subsidy Group," "Independent Producers Group," Alfred Galaz, Ruth Galaz, Denise Vernon, or Raul Galaz.

3. Unlike business entities such as corporations or limited liability companies, sole proprietorships and their assumed business names are generally maintained only at the county level, and are generally not maintained in statewide databases. Therefore, it is generally not possible to conduct an effective search for assumed business names without knowing the county in which the name would be registered.

4. On November 1, 2019, I consulted the online database made available by Bell County, Texas, which showed that “Multigroup Claimants” remained an active assumed business name. Because the online database shows assumed business names but does not show ownership of the assumed business names, on Nov. 5, 2019, I contacted the Bell County clerk’s office, and confirmed that the assumed business name “Multigroup Claimants” remains registered to Alfred Galaz, and has not been abandoned or transferred. The name “Spanish Language Producers” is also registered to Alfred Galaz, and has not been abandoned or transferred. There are no other assumed business names registered to Alfred Galaz and no assumed business names registered to Ruth Galaz, Denise Vernon, or Raul Galaz in Bell County, Texas.

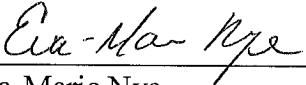
5. “Worldwide Subsidy,” “Worldwide Subsidy Group,” and “Independent Producers Group” do not appear as assumed business names registered in Bell County, Texas.

6. Through a search of statewide business entity databases, I found no business entity by the name of Multigroup Claimants. I found two limited liability companies by the name of Worldwide Subsidy Group LLC: one in California and one in Texas. Both online records show that each of these companies has been associated at various times with Raul Galaz, Ruth Galaz, Alfred Galaz, Denise Vernon, or Brian Boydston. The California company changed its name from Artists Collections Group LLC to Worldwide Subsidy Group LLC in 2002, and dissolved in 2008. The Public Information Report for the Texas company shows that it is an active

company and that its “partners” are Alfred Galaz and Ruth Galaz. Alfred Galaz appears to have signed the most recent filing, dated June 23, 2018.

7. A business entity search also shows that Alfred Galaz is associated with a Texas limited liability company called Segundo Suenos, LLC.

I hereby declare under penalty of perjury that the foregoing is true and correct. Executed December 18, 2019, in Washington, District of Columbia.



Eva-Marie Nye

Proof of Delivery

I hereby certify that on Thursday, December 26, 2019, I provided a true and correct copy of the Motion for Order to Show Cause Why Multigroup Claimants Should Not Be Disqualified as an Agent to Receive Funds on Behalf of Claimants to the following:

National Association of Broadcasters (NAB) aka CTV, represented by John Stewart, served via Electronic Service at jstewart@crowell.com

MPAA-Represented Program Suppliers (MPAA), represented by Lucy H Plovnick, served via Electronic Service at lh@msk.com

Canadian Claimants Group, represented by Victor J Cosentino, served via Electronic Service at victor.cosentino@larsongaston.com

SESAC Performing Rights, LLC, represented by John C. Beiter, served via Electronic Service at john@beiterlaw.com

Public Television Claimants (PTC), represented by Ronald G. Dove Jr., served via Electronic Service at rdove@cov.com

Multigroup Claimants (MGC), represented by Brian D Boydston, served via Electronic Service at brianb@ix.netcom.com

Joint Sports Claimants (JSC), represented by Ritchie T. Thomas, served via Electronic Service at ritchie.thomas@squirepb.com

Signed: /s/ Matthew J MacLean

EXHIBIT B

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)
)
Distribution of)
Cable Royalty Funds)
)
In the Matter of)
)
Distribution of)
Satellite Royalty Funds)

CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-2013)

**MULTIGROUP CLAIMANTS' OPPOSITION TO SETTLING DEVOTIONAL
CLAIMANTS' MOTION FOR ORDER TO SHOW CAUSE**

Brian D. Boydston, Esq.
PICK & BOYDSTON, LLP
2288 Westwood Blvd., Ste. 212
Los Angeles, CA 90064

Telephone: (424)293-0111
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

The current motion is the product of the SDC's trolling of legal filings by the Galaz family, and is based entirely on the SDC's assertion of *allegedly* inconsistent statements made by Alfred Galaz and his spouse in a bankruptcy petition filing in May 2019.¹ SDC Exh. 8.

Initially, the bankruptcy filing statements are not inconsistent with any representations made by Multigroup Claimants, regardless of the SDC's distortion thereof. Specifically, the SDC complain that Alfred Galaz failed to identify "Multigroup Claimants" in his bankruptcy petition, and failed to identify it as an entity in which he currently has an interest. From this predicate, the SDC hazard to accuse that Alfred Galaz *never* had an interest in Multigroup Claimants, and that documents produced by Multigroup Claimants in discovery in this proceeding *five years ago* might be forgeries.²

Because Multigroup Claimants was a sole proprietorship that was never assigned an Employer Identification Number, a prerequisite to the reporting obligation in Alfred Galaz's bankruptcy petition (see SDC Exh. 6, at Part 1. 4.), Alfred Galaz's bankruptcy legal counsel already advised that it need not be identified separately in his bankruptcy petition.³ See Decl. of

1 While the SDC attempts to portray Alfred Galaz's bankruptcy filing as benignly discovered by the SDC in the ordinary course of business, it was not. The bankruptcy filing was made in Tulsa, Oklahoma, and had nothing to do with any of the searches described in the declaration of Ms. Eva Marie-Nye. SDC Exhibit 8. Its discovery reflects the zeal by which the SDC, and the law firm of Pillsbury, Winthrop, et al., monitor any persons related to the Galaz family.

2 The SDC assert that a Certificate of Ownership filed in Bell County, Texas in January 2015, and executed by Alfred Galaz *before a notary public*, may be a "forgery." SDC Exh. 1. Of course, the document is not a "forgery", and literally no evidence that it is a forgery exists. See Decl. of Alfred Galaz.

3 Further to the point, when Alfred Galaz revisited the subject following the undersigned's receipt of SDC emails (SDC Exh. 7), and inquired whether he should amend his bankruptcy petition solely to appease trolling parties such as the SDC, he was informed by his bankruptcy legal counsel that because there would be literally zero consequence upon the merits of his bankruptcy filing, counsel considered amendment unnecessary.

Alfred Galaz. Consequently, Alfred Galaz's failure to articulate "Multigroup Claimants" on his bankruptcy petition was not inconsistent with his interest in that entity several years ago.

Second, the SDC challenge that Alfred Galaz's failure to identify Multigroup Claimants as an entity in which he *currently* has an interest, and identify all third parties with whom that entity has contractual obligations, again gives rise to the conclusion that Alfred Galaz might never have retained an interest in that entity. Again, such accusation ignored the obvious possibility (and actuality) *that Alfred Galaz had already transferred any interests previously held by Multigroup Claimants, and as of May 2019 had no further interest therein* (even though he had no obligation to report such entity, or to report such transfer on his bankruptcy petition).

Nonetheless, based on these *allegedly* inconsistent statements, the SDC seek an order unilaterally requiring Multigroup Claimants to produce a variety of documents relating to his ownership in such entity, effectively reopening discovery that concluded on August 31, 2017, with an apparent purpose of revisiting the final distribution determination rendered on August 6, 2018. Moreover, the SDC seek the disqualification of "Multigroup Claimants" as a recipient of royalty funds based on a fabricated allegation of "fraud." Despite literally no facts to support such statement, the SDC motion further accuses that Multigroup Claimants has a "history of participating in fraudulent conveyances", cites to proposed regulations that were never adopted, and dredges up judicial findings from irrelevant lawsuits with which the SDC clearly has no familiarity.

The SDC also complain that Multigroup Claimants has failed to apprise the SDC of Multigroup Claimants' current ownership, despite the SDC's inability to cite *any* legal basis pursuant to which such obligation would arise. Again, discovery in this proceeding was

concluded more than 2½ years ago, and the final distribution determination was rendered 1½ years ago. At this juncture, the proceeding is over a year past the last date by which a rehearing could be petitioned, or an appeal could be made. Any authority of the Judges to modify the final distribution determination is limited to the situations set forth at 17 U.S.C. Section (c)(4), titled “Continuing Jurisdiction”, which fails to bestow continuing jurisdiction on the Judges to revise the final distribution determination other than for correcting “technical or clerical errors” or to “modify the terms . . . of royalty payments in response to unforeseen circumstances that would frustrate the proper implementation of such determination.” Neither circumstance applies here, as obvious issues exist as to whether the Judges even maintain jurisdiction to engage in any modification of the final determination, as the SDC effectively seek.

The particular hypocrisy of the SDC’s contention, i.e., that ownership of any participant must be communicated to all other participants *ad infinitum*, is that the SDC and its member entities have never abided by such policy, and actively challenged any obligation to report such information in the course of discovery. The SDC is comprised of almost twenty (20) entities in this proceeding alone, and has repeatedly informed the Judges that it is not a singular entity, but multiple entities, *each* an active participant in the allocation and distribution proceedings. Presumably, at some course over the decades that the various SDC entities have participated in these proceedings, there has been *some* change in the ownership for several of those entities. Nonetheless, on not one occasion has the SDC ever notified a single adversary of either the identity of the participants’ ownership, or that there has been a change of ownership, for any of its participant entities. In fact, in response to Multigroup Claimants’ discovery request for information on ownership of the SDC participants *in this very proceeding*, the Judges expressly ruled that the SDC were not required to produce such documents. *Order Granting In Part and*

Denying In Part Multigroup Claimants' Motion to Compel Production by Settling Devotional Claimants (Sept. 14, 2016), at 4. *Ipsa facto*, to argue that Multigroup Claimants must produce such information, years after the close of discovery and issuance of a final distribution determination, is beyond the pale of inequitable.

The present status of Worldwide Subsidy Group and Multigroup Claimants is the following. Because of a transfer in January 2018 that created a commonality of ownership in both Worldwide Subsidy Group, LLC and Multigroup Claimants, the interests of Multigroup Claimants were folded into Worldwide Subsidy Group, LLC, and Worldwide Subsidy Group, LLC adopted Multigroup Claimants (and Spanish Language Producers) as an assumed name.⁴ Moreover, in order to avoid any supposed confusion regarding such matters (as concocted by the SDC), Worldwide Subsidy Group, LLC, formally registered an assumed name certificate with the State of Texas for Multigroup Claimants. See **Exhibit A**. Notably, in the state of Texas (as in most, if not all jurisdictions), failure to file an assumed name certificate “does not impair the validity of any contract or act by the person or prevent the person from defending any action or proceeding”. Texas Business and Commerce Code, Section 71.202.

Most disconcerting, nonetheless, is that even if the SDC could seek to reopen this proceeding to engage in a fishing expedition for evidence of some form of “fraud” (which it can

4 The SDC motion makes reference to an unattached “Public Information Report” in the State of Texas for Worldwide Subsidy Group, LLC. According to the SDC, Alfred Galaz “appears to have signed” that document, which document characterizes Alfred Galaz as a co-owner of Worldwide Subsidy Group, LLC during 2018. SDC motion at 7; SDC Exhibit 8 at para. 6. WSG investigated and obtained such document, which was conveniently unattached to the SDC motion. In fact, Alfred Galaz’s signature does not appear on such document, nor the “signature” of any person, nor was Alfred Galaz an owner of Worldwide Subsidy Group, LLC during 2018, nor was Alfred Galaz even aware of such document. Decl. of Alfred Galaz. At this time, WSG can only speculate regarding how such document came into existence (presumably the product of some automatic filing), but is continuing to investigate.

not), it had literally no information upon which to make its unsubstantiated accusation in its motion. Review of correspondence between the SDC's legal counsel and Multigroup Claimants' legal counsel (SDC Exhibit 7) reveals that the SDC engaged in the same unsubstantiated speculation as it does in its motion, and was provided responses that should have made the frivolity of its motion evident. After suggesting that there "might" be fraud involved, the SDC was informed by Multigroup Claimants' counsel:

"As should be obvious, you are making a comparison between statements of the status quo several years ago with statements regarding the status quo as of a few months ago.

* * *

You are, of course, free to pursue your theories fabricating malfeasance on the part of Alfred Galaz, Multigroup Claimants, or even the Easter Bunny. I particularly look forward to your accusation that a document executed by Alfred Galaz in front of a notary public is a "forgery".

SDC Exhibit 7, at 2.

Despite pointing out these overt facts to the SDC's counsel, that individual persisted, and when Multigroup Claimants' counsel was then asked whether Alfred Galaz "continues to hold the rights to collect royalties on behalf of those claimants that Multigroup Claimants claims",⁵

5 Rationalizing his need for such information, the SDC's counsel falsely represented that:

"As you may be aware, the Allocation Phase parties are in the process of finalizing a settlement of the 2010-13 satellite royalty years, and *we need to make appropriate arrangements to allow for a distribution to Multigroup Claimants . . .*"

Exhibit B, at 4 (emphasis added). As Multigroup Claimants' counsel responded, such explanation was "contrived", as the CRB would be making distribution to Multigroup Claimants, not the Allocation Parties. *Id.*

Multigroup Claimants' counsel appropriately responded, "I fail to see how it is any business of yours who presently owns Multigroup Claimants." *Id.* That logic remains.

Notwithstanding, and armed with no more than his *desire* that documents produced in discovery by Multigroup Claimants were not actually executed by Alfred Galaz, the SDC's counsel nonetheless moved forward with the SDC motion and engaged in his fantasy of catching a Galaz family member in some sort of act of malfeasance. In reality, SDC counsel did no more than set his target on an 85-year old man that, because of financial issues exacerbated by his poor health, had no alternative other than to file for bankruptcy, then aggravated the humiliation already being experienced by further publicizing the fact that he sought personal bankruptcy protection.

SDC's counsel has now made the same general unsubstantiated accusation of fraud against Raul Galaz, Denise Vernon, Alfred Galaz, retained expert witnesses, and even the undersigned, Brian Boydston, and persists in the filing of motions making unsubstantiated accusations. Such conduct is repugnant.

CONCLUSION

According to the SDC, "because no substitution of parties has been sought, the SDC request that the Judges seek clarification before authorizing a final distribution of copyright royalty funds to Multigroup Claimants." SDC motion at 1. At no time has Multigroup Claimants considered it necessary to file a "substitution of parties" under circumstances as the foregoing, i.e., where all of the interests in an entity are transferred to another entity that is owned by the identical individual, and that continues to act in the stead of that entity formally utilizing the identical name. Nonetheless, if the Judges consider it necessary to engage in such formality, clarifying that Multigroup Claimants is no longer an assumed name for Alfred Galaz,

but is now an assumed name for Worldwide Subsidy Group, LLC (which had been 99% owned by Alfred Galaz at the time of transfer), Multigroup Claimants will accommodate the Judges.

Beyond that accommodation, no further action is necessary or warranted.

For the foregoing reasons, the SDC's motion for order to show cause should be denied in its entirety.

Respectfully submitted,

January 9, 2020

_____/s/_____
Brian D. Boydston, Esq.
PICK & BOYDSTON, LLP
2288 Westwood Blvd., Ste. 212
Los Angeles, CA 90064

Telephone: (424) 293-0113
Email: brianb@ix.netcom.com

Attorneys for Multigroup Claimants

CERTIFICATE OF SERVICE

I hereby certify that on this 9th of January, 2020, a copy of the foregoing was sent by electronic mail to the parties listed on the attached Service List.

_____/s/_____
Brian D. Boydston, Esq.

National Association of Broadcasters (NAB) aka CTV, represented by John Stewart, served via Electronic Service at jstewart@crowell.com.

MPAA-Represented Program Suppliers (MPAA), represented by Lucy H Plovnick, served via Electronic Service at lh@msk.com.

Canadian Claimants Group, represented by Victor J Cosentino, served via Electronic Service at victor.cosentino@larsongaston.com.

SESAC Performing Rights, LLC, represented by John C. Beiter, served via Electronic Service at john@beiterlaw.com.

Public Television Claimants (PTC), represented by Ronald G. Dove Jr., served via Electronic Service at rdove@cov.com

Joint Sports Claimants (JSC), represented by Ritchie T. Thomas, served via Electronic Service at ritchie.thomas@squirepb.com.

Settling Devotional Claimants (SDC), represented by Matthew MacLean, served via Electronic Service at matthew.maclea@pillsburylaw.com.

EXHIBIT A



Office of the Secretary of State

CERTIFICATE OF FILING OF

WORLDWIDE SUBSIDY GROUP LLC

File Number: 704877122

Assumed Name:

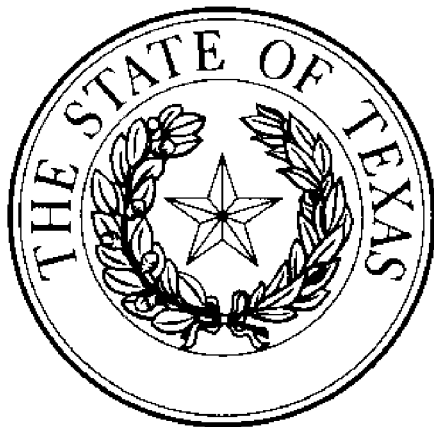
Multigroup Claimants

The undersigned, as Secretary of State of Texas, hereby certifies that the assumed name certificate for the above named entity has been received in this office and filed as provided by law on the date shown below.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law hereby issues this Certificate of Filing.

Dated: 01/06/2020

Effective: 01/06/2020



A handwritten signature in black ink, appearing to read "Ruth R. Hughs".

Ruth R. Hughs
Secretary of State



Office of the Secretary of State
Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697
(Form 503)

Filed in the Office of the
Secretary of State of Texas
Filing #: 704877122 1/6/2020
Document #: 935240730002
Image Generated Electronically
for Web Filing

**ASSUMED NAME CERTIFICATE
FOR FILING WITH THE SECRETARY OF STATE**

1. The assumed name under which the business or professional service is or is to be conducted or rendered is:

Multigroup Claimants

2. The name of the entity as stated in its certificate of formation, application for registration, or comparable document is:

WORLDWIDE SUBSIDY GROUP LLC

3. The state, country, or other jurisdiction under the laws of which it was incorporated, organized or associated is **TEXAS**

4. The period, not to exceed 10 years, during which the assumed name will be used is :
01/05/2030

5. The entity is a : **Domestic Limited Liability Company (LLC)**

6. The entity's principal office address is:
132 Perry Ct., San Antonio, TX, USA 78209

7. The county or counties where business or professional services are being or are to be conducted or rendered under such assumed name are:

ALL COUNTIES

8. The undersigned, if acting in the capacity of an attorney-in-fact of the entity, certifies that the entity has duly authorized the attorney-in-fact in writing to execute this document. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

WORLDWIDE SUBSIDY GROUP LLC

Name of the entity

By: **Ruth Galaz**

Signature of officer, general partner, manager,
representative or attorney-in-fact of the entity

FILING OFFICE COPY

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)
)
Distribution of)
Cable Royalty Funds)
)
In the Matter of)
)
Distribution of)
Satellite Royalty Funds)

CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-2013)

**ALFRED GALAZ DECLARATION IN SUPPORT OF
MULTIGROUP CLAIMANTS' OPPOSITION TO SETTLING
DEVOTIONAL CLAIMANTS' MOTION FOR ORDER TO SHOW CAUSE.**

I, ALFRED GALAZ, declare and state as follows:

1. I submit this declaration in support of Multigroup Claimants'

Opposition to Settling Devotional Claimants' Motion for Order to Show Cause.

The following facts are within my personal knowledge, and if called upon I could and would testify competently thereto.

2. I have read the Settling Devotional Claimants' ("SDC") *Motion for Order to Show Cause*, and take extraordinary offense to it. The SDC have asserted that the Certificate of Ownership to Multigroup Claimants, filed by me in Bell County, Texas in January 2015, and executed by me before a notary public, may be a "forgery." It is not a forgery, nor has any person ever previously suggested that

it might be the case. In order to further clarify such fact, I am executing this declaration before a notary public, and the Copyright Royalty Judges may easily make comparison between the signature on the Certificate of Ownership and this document.

3. I understand that the SDC has also alleged that statements set forth in a bankruptcy petition filed in May 2019 are inconsistent with statements previously made to the Copyright Royalty Judges. This is also incorrect. Specifically, the SDC has asserted that my failure to identify "Multigroup Claimants" in that petition was inconsistent with my prior use of the name "Multigroup Claimants" as an assumed name. However, I was specifically advised by my bankruptcy legal counsel that because Multigroup Claimants was a sole proprietorship that had never been assigned an Employer Identification Number, there was no obligation or expectation to report "Multigroup Claimants" in my bankruptcy petition.

4. Notwithstanding, even if I had been required to identify "Multigroup Claimants" in my bankruptcy petition, I had already transferred all interests held by it into Worldwide Subsidy Group, LLC, which adopted "Multigroup Claimants" as an assumed name. At the time of such transfer, I owned 99% of Worldwide Subsidy Group, LLC, and effective January 1, 2018 transferred all of my interest in that entity.

5. The SDC motion makes reference to an unattached "Public Information Report" in the State of Texas for Worldwide Subsidy Group, LLC. According to the SDC, "Alfred Galaz appears to have signed" that document, which document characterizes me as a co-owner of Worldwide Subsidy Group, LLC during 2018. Because the SDC failed to attach that document, it was procured by WSG, and I have now had an opportunity to review it. Contrary to the assertion of the SDC, my signature does not appear on such document, nor the "signature" of any person. Moreover, I was never an owner of Worldwide Subsidy Group, LLC during 2018. In fact, I had never previously seen such document, was not aware of such document, and am confident that no member of Worldwide Subsidy Group, LLC prepared or filed such document.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed this 9th day of January, 2020, at Tulsa, Oklahoma.


Alfred Galaz

Acknowledgement - Oklahoma Individual Acknowledgement

State of OKLAHOMA

County of TULSA

On this 9th day of January, in the year 20 20 before me, LAYNE TRUMAN
personally appeared, ALFRED GALAZ. Personally known or proved to me based
on satisfactory evidence to be the person(s) whose name is/are subscribed to the within
instrument and acknowledged to me for the purpose stated therein. I witness my hand and official
seal.




Notary Signature

My Commission Expires: 01/23/2023

My Commission # 19000805

Description of Attached Document

Title or Type: ALFRED GALAZ MOTION TO SHOW CAUSE

Document Date: 1/9/2020

Number of Pages: 3

EXHIBIT C

Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress

In re

**DISTRIBUTION OF CABLE
ROYALTY FUNDS**

**DISTRIBUTION OF SATELLITE
ROYALTY FUNDS**

**CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-13)**

**SETTLING DEVOTIONAL CLAIMANTS' REPLY IN SUPPORT OF MOTION FOR
ORDER TO SHOW CAUSE WHY MULTIGROUP CLAIMANTS SHOULD NOT BE
DISQUALIFIED AS AN AGENT TO RECEIVE FUNDS ON BEHALF OF CLAIMANTS**

The Settling Devotional Claimants' motion for an order to show cause should be granted.

I. If Worldwide Subsidy Group, LLC Has Been Acting in "Multigroup Claimants" Name, It Has Actively Deceived the Parties and Judges.

Multigroup Claimants' Opposition to MPAA's Motion for Disallowance of Claims, filed on October 28, 2016, contains a six-page section with the following title:

A. MULTIGROUP CLAIMANTS IS A SEPARATE LEGAL ENTITY FROM INDEPENDENT PRODUCERS GROUP, HAS NO COMMONALITY OF OWNERSHIP THEREWITH, NOR HAS ITS EXISTENCE HAD ANY CONSEQUENCE ON THE DOCUMENTS PRODUCED BY MULTIGROUP CLAIMANTS OR ARGUMENTS MADE IN THESE PROCEEDINGS.

According to "Multigroup Claimants," "Contrary to the MPAA's accusation, [Multigroup Claimants] is not a 'shell' of Independent Producers Group, but an altogether separate legal entity." Multigroup Claimants' Opposition to MPAA's Motion for Disallowance of Claims Made by Multigroup Claimants (Oct. 28, 2016) at 6. This statement was always a distortion,

because an assumed name is not an “entity.” But the parties and the Judges have understood “Multigroup Claimants” to be an assumed business name of Alfred Galaz as sole proprietor.

But now, the mask has finally fallen off. In his declaration, Alfred Galaz claims, “even if I had been required to identify ‘Multigroup Claimants’ in my bankruptcy petition, I had already transferred all interests held by it into Worldwide Subsidy Group, LLC, which adopted ‘Multigroup Claimants’ as an assumed name. At the time of such transfer, I owned 99% of Worldwide Subsidy Group, LLC, and effective January 1, 2018 transferred all of my interest in that entity.” Galaz Decl. ¶ 4.

Contradicting the position it has consistently taken since at least 2016, Worldwide Subsidy Group now claims that it *is* “Multigroup Claimants,” and has been “Multigroup Claimants” since some undisclosed time before January 1, 2018, at which time Alfred Galaz conveyed his interest in Worldwide Subsidy Group.

Even if it is true that the assets associated with Multigroup Claimants were conveyed to Worldwide Subsidy Group, and even if Worldwide Subsidy Group began doing business under the name “Multigroup Claimants” (a name it did not register until January 6, 2020, eleven days *after* the SDC filed their motion for order to show cause), the assumption of a business name does not change a party’s identity. Regardless of Worldwide Subsidy Group’s assumption of the business name “Multigroup Claimants,” a substitution of parties is required under the Judges’ rules to replace Worldwide Subsidy Group for Alfred Galaz in all proceedings before the Judges. 37 C.F.R. § 360.4(c) (“In the event the legal name and/or address of the copyright owner entitled to royalties or the person or entity filing the claim changes after the filing of the claim, the filer or the copyright owner shall notify the Copyright Royalty Board of the change.”); *see also* Fed. R. App. P. 43 (requiring substitution of parties if there is a change in the party entitled to appeal).

But the revelation that Worldwide Subsidy Group has been acting in the name of “Multigroup Claimants” is not indicative merely of a failure to make a required disclosure or formal substitution of parties. Make no mistake – if Alfred Galaz’s declaration is true, then Worldwide Subsidy Group has actively concealed its identity with Multigroup Claimants through multiple false statements to the Judges over the course of at least two years.

Alfred Galaz does not reveal when before January 1, 2018, he purportedly transferred the assets associated with Multigroup Claimants to Worldwide Subsidy Group. But as of January 1, 2018, the 2010-13 cable and satellite distribution phase proceedings were in the midst of litigation, both before the Judges and, indirectly, in the U.S. District Court for the District of Columbia. Worldwide Subsidy Group filed its complaint under the Administrative Procedure Act in *Worldwide Subsidy Group, LLC v. Hayden*, No. 17-cv-02643 (D.D.C.) on December 8, 2017, in a collateral attack on the Judges’ claims rulings in the 2004-09 cable, 1999-2009 satellite distribution proceedings and in the 2010-13 cable and satellite distribution proceedings. In a declaration in support of Worldwide Subsidy Group’s motion for temporary restraining order, filed on December 12, 2017, Worldwide Subsidy Group’s counsel described Multigroup Claimants as an “assignee” of Worldwide Subsidy Group, and not as an assumed name for Worldwide Subsidy Group. *See* Ex. 1, Declaration of Brian D. Boydston in Support of Motion for Temporary Restraining Order (Dec. 12, 2017) at ¶ 25.

Similarly, on December 29, 2017, “Multigroup Claimants” filed a “Written Direct Statement” in these proceedings, attaching the Testimony of Raul Galaz stating that “Multigroup Claimants” was “a sole proprietorship organized in the state of Texas,” and that “Multigroup Claimants represents the interests of Worldwide Subsidy Group, LLC in these proceedings,”

again clearly distinguishing between the identities of Worldwide Subsidy Group and “Multigroup Claimants.” Testimony of Raul Galaz at 1 (filed Dec. 29, 2017).

On January 17, 2018, “Multigroup Claimants” filed an opposition to the SDC and MPA’s joint motion to strike its written direct statement. In that opposition, “Multigroup Claimants” referred to Worldwide Subsidy Group as “[Multigroup Claimants’] predecessor” and “[Multigroup Claimants’] assignor.” Multigroup Claimants’ Opposition to (Second) Joint Motion to Strike Multigroup Claimants’ Written Direct Statement and to Dismiss Multigroup Claimants from the Distribution Phase (Jan. 17, 2018) at 6-7.

On January 29 and February 7, 2018, “Multigroup Claimants” filed oppositions to MPA’s and the SDC’s respective motions to quash its discovery requests. In both of those oppositions, it referred to Worldwide Subsidy Group as “Multigroup Claimants’ predecessor.” Multigroup Claimants’ Opposition to MPAA Motion to Quash Discovery Requests of Multigroup Claimants (Jan. 29, 2018) at 7; Multigroup Claimants’ Opposition to Settling Devotional Claimants’ Motion to Quash Discovery Requests of Multigroup Claimants (Feb. 7, 2018) at 18.

Later, in its pleadings relating to the form of the Judges’ final determination of shares in the Devotional category, “Multigroup Claimants” again referred to Worldwide Subsidy Group as “Multigroup Claimants’ predecessor.” Multigroup Claimants’ Reply in Support of Notice of Consent to 2010-2013 Cable and Satellite Shares Proposed by Settling Devotional Claimants, and Motion for Entry of Distribution Order (July 13, 2018) at 4 n.1.

In its appeal of the Judges’ distribution determinations in the Program Suppliers and Sports categories, in briefs filed during the pendency of Alfred Galaz’s bankruptcy petition, “Multigroup Claimants” has continued to maintain that it is distinct from Worldwide Subsidy Group. *See* Motion at Ex. 3, Appellant’s Final Brief, *Multigroup Claimants v. Copyright Royalty*

Board, Case No. 18-1338 (D.C. Cir. Aug. 14, 2019) at 19 n.4 (“Multigroup Claimants’ predecessor-in-interest is Worldwide Subsidy Group, LLC dba Independent Producers Group (‘IPG’).”), and 55 (“Multigroup Claimants’ predecessor, IPG, fully intends to appeal the CRB’s denial of the ‘presumption of validity,’”); *see also* Motion at Ex. 4, Appellant’s Final Reply Brief, Case No. 18-1338 (D.C. Cir. Aug. 14, 2019), at 30 (“[Multigroup Claimants], its predecessor IPG, and their personnel, have been the subject of actions by the CRB that, at minimum, give pause to consider any CRB ruling affecting those persons or entities.”).

In sum, if Alfred Galaz’s declaration is true, then each of these representations by “Multigroup Claimants” was false. If Worldwide Subsidy Group has been acting in “Multigroup Claimants” name since before January 1, 2018, then it has actively and intentionally deceived the parties, the Judges, and the courts continuously for more than two years.

II. Alfred Galaz’s Representations to the Bankruptcy Court Were Also False.

Given the new admission that Worldwide Subsidy Group has been acting in the name of “Multigroup Claimants,” an admission that reveals a prolonged pattern of deception by “Multigroup Claimants” and violations of the Judges’ rules, it scarcely seems necessary to point out that Alfred Galaz’s representations to the U.S. Bankruptcy Court for the Northern District of Oklahoma were also false. But so that the Judges may consider the credibility of Alfred Galaz’s testimony, it bears noting.

In particular, in ¶ 27 of the Statement of Financial Affairs, Alfred Galaz was asked whether he had owned a business, including a sole proprietorship, “[w]ithin 4 years before you filed for bankruptcy,” and he was required to identify any such business. Alfred Galaz identified only Segundo Suenos LLC and a sole proprietorship that conducted contract real estate sales through Coldwell Banker:

27. Within 4 years before you filed for bankruptcy, did you own a business or have any of the following connections to any business?

☒ A sole proprietor or self-employed in a trade, profession, or other activity, either full-time or part-time

☒ A member of a limited liability company (LLC) or limited liability partnership (LLP)

☐ A partner in a partnership

☐ An officer, director, or managing executive of a corporation

☐ An owner of at least 5% of the voting or equity securities of a corporation

☐ No. None of the above applies. Go to Part 12.

☒ Yes. Check all that apply above and fill in the details below for each business.

Business Name
Address
(Number, Street, City, State and ZIP Code)

Segundo Suenos LLC
508 Red Cloud
Harker Heights, TX 76548

Describe the nature of the business

Name of accountant or bookkeeper

Royalty holding/collecting
company
Inactive since 2010, closed in
2018

Employer Identification number
Do not include Social Security number or ITIN.

Dates business existed

EIN: 20-3530079

From-To 2005-2018

Sole Proprietorship
3901 West Vandalia Street
Broken Arrow, OK 74012

Contract real estate sales through
Coldwell Banker

EIN:

From-To

This statement is false, because Alfred Galaz claims that he owned Multigroup Claimants before transferring its assets to Worldwide Subsidy Group at some time prior to January 1, 2018, and that he owned 99% of Worldwide Subsidy Group until transferring it “effective January 1, 2018.” Galaz Decl. ¶ 4.

Likewise, in ¶ 18 of the Statement of Financial Affairs, Alfred Galaz was asked whether he had transferred any property to anyone “[w]ithin 2 years before you filed for bankruptcy.” Alfred Galaz disclosed that he had transferred “Worldwide Subsidy” to Ruth Galaz on “1/1/2018,” apparently referring to Worldwide Subsidy Group, which Alfred Galaz now claims he transferred on January 1, 2018. Although that may be true (as far as we know), Alfred Galaz also claimed that Worldwide Subsidy Group was “inactive” and that it was worth “\$0” in fair market value:

18. Within 2 years before you filed for bankruptcy, did you sell, trade, or otherwise transfer any property to anyone, other than property transferred in the ordinary course of your business or financial affairs? Include both outright transfers and transfers made as security (such as the granting of a security interest or mortgage on your property). Do not include gifts and transfers that you have already listed on this statement.

☐ No

☒ Yes. Fill in the details.

Person Who Received Transfer Address	Description and value of property transferred	Describe any property or payments received or debts paid in exchange	Date transfer was made
Person's relationship to you Ruth Galaz Ex-wife	Worldwide Subsidy, business that was transferred to ex-wife in January of 2018. Business was inactive, \$0 FMV. Collected royalties from TV programs and copyrights.	None	1/1/2018

The claim that “Worldwide Subsidy” was “inactive” with a fair market value of “\$0” on January 1, 2018, was plainly false. As of January 1, 2018, under the name “Independent Producers Group,” Worldwide Subsidy Group was actively pursuing claims for royalties in the 2000-2003 cable proceedings (recently resolved by a settlement in which Worldwide Subsidy Group will receive a substantial share of Devotional funds) and the 2004-2009 cable and 1999-2009 satellite proceedings (in which Worldwide Subsidy Group received an award of substantial shares of the Program Suppliers and Devotional categories, currently on appeal). According to Alfred Galaz’s declaration, Worldwide Subsidy Group was also actively pursuing claims for royalties in the 2010-13 cable and satellite distribution proceedings, which it ultimately obtained, in the name of “Multigroup Claimants.” As of January 1, 2018, according to Alfred Galaz, Worldwide Subsidy Group also owned the right to pursue royalties for 2014 and beyond.

In short, Alfred Galaz’s testimony cannot be trusted. Either his declaration, his bankruptcy petition, or both contain false testimony.

Alfred Galaz’s testimony that he acted on the advice of his lawyer, unsupported by any declaration from his lawyer, is not credible. But even if he had been advised by a lawyer to

conceal material facts, it would not excuse the deception, either of the Judges or of the bankruptcy court.

Finally, in his declaration, Alfred Galaz denies signing Worldwide Subsidy Group's Public Information Report dated June 23, 2018. Galaz Decl. ¶ 6. As shown in Exhibit C of the attached Declaration of Eva-Marie Nye, Worldwide Subsidy Group's most recent Public Information Report, dated June 23, 2018 (after Alfred Galaz claims to have conveyed his interest in Worldwide Subsidy Group), which was submitted electronically, bears Alfred Galaz's typewritten signature in the signature block. This constitutes a legally effective electronic signature under the Texas Uniform Electronic Transactions Act. Tex. Bus. & Com. §§ 322.002(8) and 322.007. The information on the form differs in substance from previous forms filed by Worldwide Subsidy Group, LLC, and there appears to be no mechanism by which the signature could have been affixed in an "automatic filing," as Worldwide Subsidy Group "speculate[s]." See Nye Decl. ¶ 7. Whether Alfred Galaz signed the document or whether somebody else affixed his signature without his authority, we cannot know. But if Alfred Galaz's declaration is true, then Worldwide Subsidy Group's Public Information Report is false.

III. Worldwide Subsidy Group Should be Debarred, and Its Belated Request to Substitute Parties Should Be Denied.

Worldwide Subsidy Group and Alfred Galaz both participated in an on-going deception. Whatever excuse might be offered for the deception, it should not be tolerated. Worldwide Subsidy Group has been warned explicitly, "[A]ll of the participants know – or should know – that giving false testimony under oath in an official proceeding is serious misconduct" Memorandum Opinion and Ruling on Validity and Categorization of Claims, Nos. 2012-6 CRB CD 2004-09 (Phase II), 2012-7 CRB SD 1999-2009 (Phase II) (Mar. 13, 2015) at 9. Indeed, the Judges specifically found that Worldwide Subsidy Group's conveyance to Multigroup Claimants

in the first place was a “subterfuge,” intended to avoid the scrutiny appurtenant to Worldwide Subsidy Group’s history of fraud. *Id.* at 13. The Judges have previously refrained from debarring Worldwide Subsidy Group, but have indicated their willingness to revisit the issue again in light of new evidence of misconduct:

The Judges view the false claim that Mr. Galaz filed in 2000 on behalf of IPG to be part of Mr. Galaz’s past fraud for which he has already paid a price. The Judges find it unnecessary to impose additional sanctions on IPG. Of course, should the Judges be presented with evidence of any new misconduct by Mr. Galaz or IPG (or any other participant, for that matter) the Judges will not hesitate to revisit this issue.

Ruling and Order Regarding Claims, No. 2008-1 CRB CD 98-99 (Phase II) (June 18, 2014) at 7.

The time to revisit the issue is now, before millions of dollars of claimant funds are put into the hands of an untrustworthy agent, or one whose identify is unknown.

The Judges have inherent or implied authority to inquire into the circumstances and to disqualify Alfred Galaz and Worldwide Subsidy Group as agents if the Judges find that they have engaged in deception, as is clearly the case.

Multigroup Claimants questions the Judges’ authority to change the distribution to Multigroup Claimants. *Opp.* at 4. But a separate order is required for final *distribution*, and that has not yet been issued with regard to Multigroup Claimants. Hence, the Judges retain all authority necessary to act on the instant motion.

In any event, if the Judges find it necessary to amend their final determination, they have the continuing jurisdiction to do so. 17 U.S.C. § 803(c)(4). The revelation that Worldwide Subsidy Group has actively deceived the Judges and the parties as to the true identity of “Multigroup Claimants” constitutes an “unforeseen circumstance[] that would frustrate the proper implementation of such determination.” *Id.* Worldwide Subsidy Group’s deception was

“unforeseen,” and payment of claimant funds into the hands of a purported agent who has deceived the Judges would not be a “proper implementation” of the Judges’ final determination.

Finally, Worldwide Subsidy Group has not even attempted to show good cause for its years of delay in requesting to substitute itself for Alfred Galaz d/b/a Multigroup Claimants as required by the Judges’ rules. Its request to do so now should be denied for lack of good cause. A prolonged attempt at deception that ultimately failed is not good cause for a two-year delay to request substitution of parties. The protection of the claimants and the public requires that both Alfred Galaz and Worldwide Subsidy Group, under any name, be permanently debarred from participation in copyright royalty proceedings.

IV. Conclusion

The SDC request the Judges to grant their motion, and to order Worldwide Subsidy Group d/b/a “Multigroup Claimants” and Alfred Galaz d/b/a “Multigroup Claimants” to show cause why they should not be permanently disqualified from serving as agents in copyright royalty proceedings.

Date: January 21, 2020

Respectfully submitted,

/s/ Jessica T. Nyman

Matthew J. MacLean (DC Bar No. 479257)

Matthew.MacLean@pillsburylaw.com

Michael A. Warley (DC Bar No. 1028686)

Michael.Warley@pillsburylaw.com

Jessica T. Nyman (DC Bar No. 1030613)

Jessica.Nyman@pillsburylaw.com

PILLSBURY WINTHROP SHAW PITTMAN LLP

1200 Seventeenth Street, NW

Washington DC 20036

Tel: (202) 663-8183

Fax: (202) 663-8007

Arnold P. Lutzker (DC Bar No. 108106)

Arnie@lutzker.com

Benjamin Sternberg (DC Bar No. 1016576)

Ben@lutzker.com

LUTZKER & LUTZKER LLP

1233 20th Street, NW, Suite 703

Washington DC 20036

Tel: (202) 408-7600

Fax: (202) 408-7677

Counsel for Settling Devotional Claimants

Certificate of Service

I certify that on January 21, 2020, I caused the foregoing to be served on all parties by filing through the eCRB system.

/s/ Jessica T. Nyman
Jessica T. Nyman

EXHIBIT 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

Worldwide Subsidy Group, LLC dba
Independent Producers Group,

Plaintiff,

V.

Carla Hayden, in her official capacity
as the Librarian of Congress, and
the Copyright Royalty Board

Defendant.

No. 1-17-cv-02643

**DECLARATION OF BRIAN D. BOYDSTON IN SUPPORT OF MOTION
FOR TEMPORARY RESTRAINING ORDER**

I, BRIAN D. BOYDSTON, declare and state as follows:

1. I am an attorney licensed to practice law in the State of California and a partner in the law firm of Pick & Boydston, LLP, counsel of record for Plaintiff Worldwide Subsidy Group, LLC dba Independent Producers Group (“WSG”).

The following facts are within my personal knowledge, and if called upon I could and would testify competently thereto.

2. The participants in Copyright Royalty Board (“CRB”) Docket No. 2012-6 CRB CD 2004-09 (Phase II) and Docket No. 2012-7 CRB SD 1999-2009, other than WSG, are the Motion Picture Association of America, Inc., a New York Corporation (“MPAA”), and the Setting Devotional Claimants (“SDC”), an unincorporated association of religious content programmers.

3. The participants in the “Program Supplier”, “Sports” and “Devotional” distribution categories in CRB Docket Nos. 14-0010 CD 2010-2013 and 14-0011 SD 2010-2013 include the MPAA and the SDC, as well as the “Joint Sports Claimants” (“JSC”), an unincorporated association of sports programmers.

4. In consolidated proceeding Docket No. 2012-6 CRB CD 2004-09 (Phase II) and Docket No. 2012-7 CRB SD 1999-2009, the CRB issued an order titled *Memorandum Opinion and Ruling on Validity and Categorization of Claims* (March 15, 2015). A true and correct copy of that document is attached to the Memorandum of Points And Authorities in Support of Motion for Temporary Restraining Order (“MPA”) as **Exhibit 1**.

5. Following the submission of pleadings and receipt of testimony in connection with such proceeding, the CRB issued a draconian “discovery sanction” against WSG, dismissing all fifty-one (51) cable and satellite claims held by WSG-represented claimants Benny Hinn Ministries, Creflo Dollar Ministries and Kenneth Copeland Ministries.

6. The discovery sanction was premised on WSG’s failure to produce in discovery *a sole 2005 email from ten years prior*, an email written by legal counsel for Benny Hinn Ministries and Kenneth Copeland Ministries (the “David Joe email”). Notably, the complaining party (the Settling Devotional Claimants; “SDC”) had been a *direct recipient* of the David Joe email ten years prior. Further, the SDC had already introduced the David Joe email into evidence in two prior proceedings before the CRB.

7. A prior ruling of the CRB found that an SDC document request for “all correspondence” between WSG and its represented claimants was overly broad. In the prior ruling, the CRB therefore limited WSG’s obligation to produce documents to those documents “contradicting” WSG’s assertion of rights.

Consequently, in the consolidated proceeding, WSG appropriately objected that the SDC's request for "all correspondence" was overbroad, but responded that WSG would produce all documents "contradicting" its assertion of rights, as previously required by the CRB. The SDC tacitly accepted WSG's objection without moving to challenge such objection.

8. The aggregate of the SDC and MPAA argument was that a claim had not been submitted for the claimants whose names appeared on pages 4, 5, 9 and 10 of the attachment.

9. The significance of denying WSG the "presumption of validity" is that the MPAA made claim to the vast majority of programs claimed by WSG, and so the MPAA was automatically awarded the royalties to the conflicting program claims.

10. While WSG was required to present a heightened level of documentation as a result of its loss of the "presumption of validity", the CRB refused to require the MPAA to even produce copies of the agreements between the "agents" and the ostensible copyright owners that the agents (and, ergo, the MPAA) purported to represent. Consequently, while IPG was required to present the entire chain-of-title to its claimed programs, the chain-of-title for any MPAA-claimed program was presumed to be valid, even if there was no evidence that the MPAA-represented agents had actually been engaged by the purported copyright owner, and without any submission of evidence verifying an entity's ownership of a claimed program. The net effect was that the MPAA's program claims, no matter how unsubstantiated, remained intact, while WSG's claims were decimated, and trumped in each instance in which a conflicting program claim existed.

11. After the CRB issued its ruling, WSG promptly filed a motion for reconsideration of the ruling imposing a discovery sanction and dismissing the

fifty-one claims. A true and correct copy of that document is attached to the MPA as **Exhibit 3**.

12. WSG noted that the CRB had vast evidence before them that none of the sanctioned entities had ever terminated their agreements with WSG. Specifically, WSG noted that the agreements, correspondence, recent “Acknowledgments of Representation”, declarations, and deposition testimony of Creflo Dollar Ministries, Benny Hinn Ministries, and Kenneth Copeland Ministries uniformly confirmed WSG’s authority in the proceedings, WSG’s continued and uninterrupted representation since 1999, and WSG’s continued engagement through the present.

13. WSG further noted that the author of the David Joe email, Mr. David Joe, was not a representative of Creflo Dollar Ministries (legal or otherwise), *nor ever had been*, and therefore never had the authority to make an “attempted termination” of the agreement between WSG and Creflo Dollar Ministries. That is, Mr. Joe had no more right to speak on behalf of Creflo Dollar Ministries than a man on the street.

14. WSG reiterated that representatives of the SDC were direct recipients of the David Joe email in 2005.

15. On April 9, 2015, the CRB denied, in pertinent part, WSG’s motion for reconsideration. A true and correct copy of that document is attached to the MPA as **Exhibit 5**.

16. In contrast to the CRB’s April 9, 2015 decision affirming its discovery sanction, in the subsequent proceeding the CRB reversed course and flatly ruled that WSG cannot be sanctioned for failing to produce the alleged “second agreement” that is not in its possession. A true and correct copy of that document is attached to the MPA as **Exhibit 8**.

17. In the initial proceeding, the SDC provided no evidence to indicate the existence of a second agreement other than an ambiguous passing reference in the David Joe email from 2005, no different than in the subsequent proceeding where the CRB adamantly refused to impose a discovery sanction.

18. Regardless, the “allegedly unproduced second agreement” argument was never raised until the SDC’s opposition to WSG’s motion for reconsideration, and in any event was not the CRB’s asserted basis for the discovery sanction, only an after-the-fact rationalization for its decision set forth in its denial of WSG’s motion for reconsideration.

19. On April 11, 2016, i.e., more than a year subsequent to the CRB’s denial of WSG’s motion for reconsideration of the matter, WSG filed a new motion for reconsideration based on the discovery of new evidence contradicting the CRB’s holding that the David Joe email was an “attempted termination” of the agreements between WSG and its three represented claimants. A true and correct copy of that document is attached to the MPA as **Exhibit 6**.

20. WSG represented that in the course of preparation for the production of documents in connection with the 2010-2013 cable/satellite proceedings, WSG’s counsel was provided a copy of an email between Mr. David Joe and Mr. Gottfried, SDC’s then counsel, that followed shortly after Mr. Joe’s November 2005 email that was the basis of the discovery sanction.

21. On June 1, 2016, the CRB denied the second WSG motion for reconsideration of the matter. A true and correct copy of that document is attached to the MPA as **Exhibit 9**.

22. As with the CRB’s discovery sanction, WSG immediately filed a motion for reconsideration of the CRB’s ruling regarding the denial of its

“presumption of validity.” A true and correct copy of that document is attached to the MPA as **Exhibit 2**.

23. On April 9, 2015, the CRB denied, in pertinent part, WSG’s motion for reconsideration. A true and correct copy of that document is attached to the MPA as **Exhibit 5**.

24. The SDC is consortium of several dozen different religious programmers, collecting the distributed royalties after the fact will require multiple lawsuits in multiple jurisdictions, just to recover money from the SDC, and in addition to a separate action against the MPAA.

25. In an order in Docket Nos. 14-0010 CD 2010-2013 and 14-0011 SD 2010-2013 the CRB once again denied WSG’s presumption of validity based upon its ruling in the prior proceedings. Specifically, in an order in the 2010-2013 proceedings dated October 23, 2017, the basis upon which the CRB denied a “presumption of validity” to WSG’s assignee therein, Multigroup Claimants, was the CRB’s conclusion that Multigroup Claimants was attempting to evade the CRB’s order denying WSG’s "presumption of validity" in Docket Nos. 2012-6 and 2012-7. A true and correct copy of that document is attached to the MPA as **Exhibit 8**.

26. The JSC is consortium of many different sports programmers, including the National Football League, the National Basketball Association, the National Collegiate Athletic Association, etc. As a result, collecting the distributed royalties after the fact will require even more multiple lawsuits in even more jurisdictions, just to recover money from the JSC, and in addition to separate actions against the SDC and a separate action against the MPAA.

27. The royalty funds at issue in the CRB proceedings at issue herein are safely held by the CRB in interest bearing accounts.

28. It is the practice of the CRB to make advance distributions of significant portions of the royalty pools to established claimants, and it has done so in the CRB proceedings at issue. So while some amounts remain to be distributed and collected, the SDC, the MPAA, and the JSC have already been paid substantial amounts of what they will ultimately collect from these royalty pools, and are not “suffering without.”

29. Other than WSG, the SDC, the MPAA, and the JSC, there are no other claimants in the distribution phase of the “Devotional”, “Program Suppliers”, and “Sports” distribution categories in Docket Nos. 14-0010 CD 2010-2013 and 14-0011 SD 2010-2013.

I declare under penalty of perjury that the foregoing is true and correct.
Executed at Los Angeles, California this 12th day of December, 2017.

_____/s/_____
Brian D. Boydston

EXHIBIT 2

**Before the
COPYRIGHT ROYALTY JUDGES
The Library of Congress**

In re

**DISTRIBUTION OF CABLE
ROYALTY FUNDS**

**DISTRIBUTION OF SATELLITE
ROYALTY FUNDS**

**CONSOLIDATED DOCKET NO.
14-CRB-0010-CD/SD
(2010-13)**

**DECLARATION OF EVA-MARIE NYE IN SUPPORT OF SETTling DEVOTIONAL
CLAIMANTS' REPLY IN SUPPORT OF MOTION FOR ORDER TO SHOW CAUSE
WHY MULTIGROUP CLAIMANTS SHOULD NOT BE DISQUALIFIED AS AN
AGENT TO RECEIVE FUNDS ON BEHALF OF CLAIMANTS**

I, Eva-Marie Nye, hereby state and declare as follows:

1. I am the Director of Research Services for the law firm Pillsbury Winthrop Shaw Pittman LLP.
2. In my prior declaration, I testified that "[t]he Public Information Report for the Texas company [Worldwide Subsidy Group LLC] shows that it is an active company and that its 'partners' are Alfred Galaz and Ruth Galaz. Alfred Galaz appears to have signed the most recent filing, dated June 23, 2018."
3. I have reviewed Alfred Galaz's Declaration in Support of Multigroup Claimants' Opposition to Settling Devotional Claimants Motion for Order to Show Cause in which he testifies:

Contrary to the assertion of the SDC, my signature does not appear on such document [the Public Information Report], nor the 'signature' of any person. Moreover, I was never an owner of Worldwide Subsidy Group, LLC during 2018. In fact, I had never previously seen such document, was not aware of such document, and am confident that no member of Worldwide Subsidy Group, LLC prepared or filed such document.

4. I have also reviewed Multigroup Claimants' Opposition to Settling Devotional Claimants Motion for Order to Show Cause, in which Multigroup Claimants states:

WSG can only speculate regarding how such document came into existence (presumably the product of some automatic filing), but is continuing to investigate.

5. Attached hereto as Exhibits A, B, and C, respectively, are Worldwide Subsidy Group, LLC's three most recent Public Information Reports for 2016, 2017, and 2018, available online through the website of the Texas Comptroller of Public Accounts. No Public Information Report appears for 2019.

6. Each form is clearly marked with a notice to **"Please sign below! This report must be signed to satisfy tax requirements."** At the bottom of each form, there is a box requiring the signatory to **"sign here,"** beneath a box that states: "I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution."

7. I have examined the Public Information Report form that is available for filers to download and fill out. There is no option to populate the signature box of the form automatically.

8. Each of the Public Information Reports for 2016 and 2017 lists Denise Vernon as a "Member" and Brian Boydston in an unstated capacity. The Public Information Report for 2016 contains a typewritten signature that reads "DENISE G VER DENISE G VERNON" dated September 13, 2016. The Public Information Report for 2017 contains a handwritten signature that appears to read "Denise Vernon" dated September 11, 2017.

9. The Public Information Report for 2018 contains information that differs from the two previous filings, listing Alfred Galaz and Ruth Galaz, each with the title of “Partner.” The Public Information Report for 2018 contains a typewritten signature that reads “Alfred Galaz,” with the title of “Member,” dated June 23, 2018. No other Public Information Report online for Worldwide Subsidy Group, LLC lists Alfred Galaz as a partner or member, or contains Alfred Galaz’s signature.

10. A page attached to the Public Information Report for 2018 appears to show that it was transmitted by ProSeries, a brand of desktop tax preparation software hosted by Intuit, Inc., the same company that owns other well-known desktop accounting applications like Quickbooks and TurboTax.

I hereby declare under penalty of perjury that the foregoing is true and correct. Executed January 14, 2020, in Washington, District of Columbia.


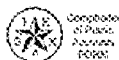

Eva-Marie Nye

EXHIBIT A

05-102
(Rev. 9-15/33)**Texas Franchise Tax Public Information Report**To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP),
Professional Associations (PA) and Financial Institutions

■ Ycode 13196 Franchise

■ Taxpayer number

■ Report year

1 7 4 2 9 1 4 3 7 0 8

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You have certain rights under Chapter 552 and 559,
Government Code, to review, request and correct information
we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name WORLDWIDE SUBSIDY GROUP LLC		<input checked="" type="checkbox"/> Blacken circle if the mailing address has changed.	
Mailing address 132 PERRY CT		Secretary of State (SOS) file number or Comptroller file number	
City SAN ANTONIO	State TX	ZIP code plus 4 78209	0704877122

☐ Blacken circle if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office 132 PERRY CT, SAN ANTONIO, TX, 78209
Principal place of business 132 PERRY CT, SAN ANTONIO, TX, 78209

You must report officer, director, member, general partner and manager information as of the date you complete this report.



100000000015

*Please sign below!***This report must be signed to satisfy franchise tax requirements.****SECTION A** Name, title and mailing address of each officer, director, member, general partner or manager.

Name DENISE VERNON	Title MEMBER	Director <input type="checkbox"/> YES	Term expiration m m d d y y <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Mailing address PO BOX 1357	City HELOTES	State TX	ZIP Code 78023
Name BRIAN BOYDSTON	Title	Director <input type="checkbox"/> YES	Term expiration m m d d y y <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Mailing address 1000 WILSHIRE BLVD 600	City LOS ANGELES	State CA	ZIP Code 90017
Name	Title	Director <input type="checkbox"/> YES	Term expiration m m d d y y <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution NONE	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

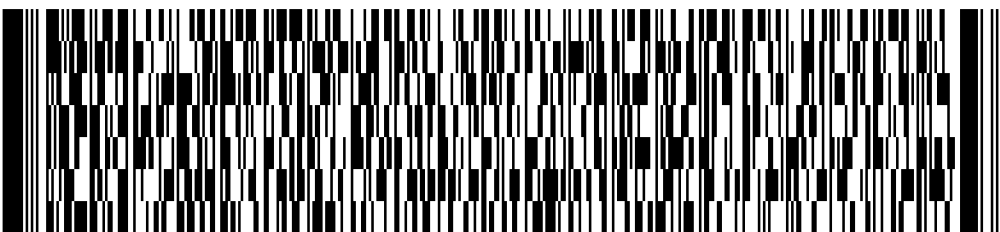
Name of owned (parent) corporation, LLC, LP, PA or financial institution NONE	State of formation	Texas SOS file number, if any	Percentage of ownership
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Registered agent and registered office currently on file (see instructions if you need to make changes)		You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.	
Agent:			
Office:	City	State	ZIP Code

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here DENISE G VER DENISE G VERNON	Title MEMBER	Date 09/13/2016	Area code and phone number () -
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Texas Comptroller Official Use Only

VE/DE	<input type="checkbox"/>	PIR IND	<input type="checkbox"/>
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Declaration of Eva-Marie Nye
SDC Reply in Support of Motion for Order to Show Cause

EXHIBIT B

TX 2017 05-102
Ver. 8.0 (Rev.9-15/33)

Texas Franchise Tax Public Information Report
To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

■ Tcode 13196

■ Taxpayer number 742914370		■ Report year 2017		<i>You have certain rights under Chapter 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at 1-800-252-1381.</i>	
Taxpayer name WORLDWIDE SUBSIDY GROUP LLC				<input type="checkbox"/> Check box if the mailing address has changed.	
Mailing address 132 PERRY CT				Secretary of State (SOS) file number or Comptroller file number 0704877122	
City SAN ANTONIO	State TX	ZIP code plus 4 78209			

☐ Check box if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office 132 PERRY CT	SAN ANTONIO	TX 78209
Principal place of business 132 PERRY CT	SAN ANTONIO	TX 78209

You must report officer, director, member, general partner and manager information as of the date you complete this report.



Please sign below! This report must be signed to satisfy franchise tax requirements. **0742914370017**

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager.

Name DENISE VERNON	Title MEMBER	Director <input type="checkbox"/> YES	Term expiration m m d d y y
Mailing address PO BOX 1357	City HELOTES	State TX	ZIP Code 78023
Name BRIAN BOYDSTON	Title	Director <input type="checkbox"/> YES	Term expiration m m d d y y
Mailing address 1000 WILSHIRE BLVD #600	City LOS ANGELES	State CA	ZIP Code 90017
Name	Title	Director <input type="checkbox"/> YES	Term expiration m m d d y y
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution NONE	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution NONE	State of formation	Texas SOS file number, if any	Percentage of ownership
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Registered agent and registered office currently on file (see instructions if you need to make changes)			
Agent:			
Office:	City	State	ZIP Code

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.			
sign here ▶ <i>Denise Vernon</i>	Title <i>Member</i>	Date 09/11/2017	Area code and phone number 210-294-4232

Texas Comptroller Official Use Only



VE/DE <input type="checkbox"/>	PIR IND <input type="checkbox"/>
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EXHIBIT C

05-102
(Rev.9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP),
Professional Associations (PA) and Financial Institutions

■ Tcode 13196 Franchise

■ Taxpayer number

1 7 4 2 9 1 4 3 7 0 8

■ Report year

2 0 1 8

You have certain rights under Chapter 552 and 559,
Government Code, to review, request and correct information
we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name Worldwide Subsidy Group LLC		<input checked="" type="checkbox"/> Blacken circle if the mailing address has changed.	
Mailing address 132 Perry Court		Secretary of State (SOS) file number or Comptroller file number 0704877122	
City San Antonio	State TX	ZIP code plus 4 78209	

● Blacken circle if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office 132 Perry Court, San Antonio, TX, 78209
Principal place of business 132 Perry Court, San Antonio, TX, 78209

You must report officer, director, member, general partner and manager information as of the date you complete this report.



1000000000015

Please sign below!**This report must be signed to satisfy franchise tax requirements.****SECTION A** Name, title and mailing address of each officer, director, member, general partner or manager.

Name Alfred Galaz	Title Partner	Director <input checked="" type="radio"/> YES	Term expiration	m 1	m 2	d 3	d 1	y 1	y 8
Mailing address 3901 West Vandalia St	City Broken Arrow	State OK	ZIP Code 74012						
Name Ruth Galaz	Title Partner	Director <input checked="" type="radio"/> YES	Term expiration	m 1	m 2	d 3	d 1	y 1	y 8
Mailing address 132 Perry Court	City San Antonio	State TX	ZIP Code 78209						
Name	Title	Director <input type="radio"/> YES	Term expiration	m	m	d	d	y	y
Mailing address	City	State	ZIP Code						

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution None	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution None	State of formation	Texas SOS file number, if any	Percentage of ownership
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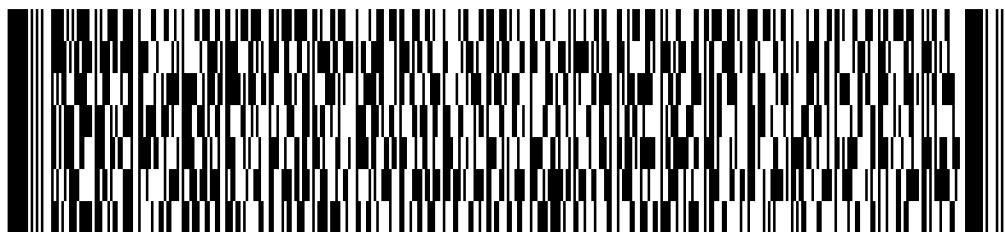
Registered agent and registered office currently on file (see instructions if you need to make changes)		You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.	
Agent: Ruth Galaz	Office: 132 Perry Court	City: San Antonio	State: TX ZIP Code: 78209

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here Alfred Galaz	Title Member	Date 06/23/2018	Area code and phone number (210) 789 - 9084
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Texas Comptroller Official Use Only



VE/DE	<input type="radio"/>	PIR IND	<input type="radio"/>
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Declaration of Eva-Marie Nye
SDC Reply in Support of Motion for Order to Show Cause

TRANSMITTER ID = PROSERIES

TLN = 00041908709

Proof of Delivery

I hereby certify that on Tuesday, January 21, 2020, I provided a true and correct copy of the Settling Devotional Claimants' Reply in Support of Motion for Order to Show Cause why Multigroup Claimants Should Not Be Disqualified as an Agent to Receive Funds on Behalf of Claimants to the following:

National Association of Broadcasters (NAB) aka CTV, represented by Ann Mace, served via Electronic Service at amace@crowell.com

Canadian Claimants Group, represented by Victor J Cosentino, served via Electronic Service at victor.cosentino@larsongaston.com

Public Television Claimants (PTC), represented by Dustin Cho, served via Electronic Service at dcho@cov.com

SESAC Performing Rights, LLC, represented by Christos P Badavas, served via Electronic Service at cbadavas@sesac.com

Joint Sports Claimants (JSC), represented by Robert A Garrett, served via Electronic Service at robert.garrett@apks.com

Multigroup Claimants (MGC), represented by Brian D Boydston, served via Electronic Service at brianb@ix.netcom.com

MPAA-Represented Program Suppliers (MPAA), represented by Gregory O Olaniran, served via Electronic Service at goo@msk.com

Signed: /s/ Jessica T Nyman

Proof of Delivery

I hereby certify that on Wednesday, January 22, 2020, I provided a true and correct copy of the Disclosure to the Judges and Motion to Supplement the Administrative Record to the following:

Independent Producers Group (IPG), represented by Brian D Boydston, served via Electronic Service at brianb@ix.netcom.com

Signed: /s/ Matthew J MacLean